

ENTREPOSE SERVICES GROUP COMPANIES

General Conditions of Purchase and Procurement

Article 1 – DEFINITIONS

The present General Conditions of Purchase and Procurement are hereinafter referred to as "GCPP". In these Conditions, the following terms are defined as follows:

"Purchaser": EUCOS LTD a member of the ENTREPOSE Services Group of Companies, acting as a mandated purchaser towards the Supplier

"Order": all contractual documents concerning Supply governing relations between the Supplier and Purchaser, including in particular, in order of priority:

- 1) the order form;
- 2) the specific conditions and their appendices;
- 3) the GCPP;
- 4) any documents required drafted by the Supplier, which the Purchaser expressly agrees to incorporate in the Order.

"Party" and "Parties" shall respectively mean either the Purchaser or the Supplier individually and the Purchaser and Supplier collectively.

"Supplier": the natural person or legal entity selected by the Purchaser to carry out the Order.

"Supply": any goods, products or equipment, including where applicable the associated documents and operations associated with installation.

Article 2 - CONTRACTUAL DOCUMENTS

The GCPP override all General Conditions of Sale of the Supplier and shall be applied insofar as no legal, contractual or particular condition contained in the Order stipulates otherwise.

Given that the Supplier expressly recognises that it has knowledge of the GCPP, applicable between the Parties and forming part of their agreement, by replying to the invitation to tender or quote for the Supply, the Supplier is deemed to have unreservedly accepted the GCPP, and that by starting to perform the Order the Supplier is deemed to have accepted the Order.

Modifications and departures from the present GCPP shall only apply if they have been agreed in writing between the Parties and they shall only be valid for the Order in question. The Supplier may not apply them to other Orders. Verbal undertakings and agreements shall be of no effect until they are confirmed by a written agreement between the parties. The Purchaser refuses all liability relating to execution by the Supplier of a verbal order or of a modification made verbally to the Order.

Article 3 - ACCEPTANCE OF THE ORDER - ABSENCE OF EXCLUSIVITY

All Orders must be in writing.

In this regard the Parties recognize and agree that the formation of the Order as well as the management thereof, notably the written communications and notices between the Parties shall be realised or result from electronic means as provided for in Article 1369-1 and the immediately following articles of the French Civil Code [or in the applicable law of the Order should such law be other than French Law].

The electronic addresses of the Purchaser and the Supplier appear in the Order.

Acceptance of the Order does not confer any exclusivity in favour of the Supplier.

Article 4 - MODIFICATIONS OF THE SUPPLY

The Purchaser may ask the Supplier to make modifications to the Supply initially defined in the Order.

The Supplier shall inform the Purchaser as rapidly as possible of the new delivery date and extra costs and more generally of any other effect on the Order directly arising from the said modifications.

The said modifications must be confirmed by an amendment to the Order.

Article 5 - DELIVERY

5.1 – Delivery terms

All deliveries shall be made Ex-Works unless otherwise provided for in the Order as defined in the latest edition of Incoterms, to the agreed address during the working days and normal working hours defined in the Order.

5.2 – Packing

Unless otherwise provided for in the Order, the Supplier shall be responsible for packing, which must be appropriate for the means of transport used and for the transported Supply, in conformity with the applicable standards and codes of practice. In any event, the packing must prevent any damage likely to affect the Supply during transport and handling.

The packing materials must be taken back at the Supplier's expense and must be processed in accordance with the legislation applicable at the point of delivery.

5.3 – Adherence to delivery lead times - Penalties

Adherence to delivery lead times is an essential condition of the Order. Whenever the overrunning of a delivery date is foreseeable, the Supplier must inform the Purchaser immediately in writing of the extent of and reasons for the delay.

Any delay in delivery on the part of the Supplier and/or any third party under the latter's responsibility shall automatically and without notice incur the application of the penalties laid down in the Order. These penalties, which consist of coercive fines, may be deducted as of right from any sums owed to the Supplier. They shall not affect the Purchaser's right to claim damages from the Supplier and/or to cancel the Order immediately as of right, by derogation from the provisions of Article 16.1.

Article 6 - ACCEPTANCE OF THE SUPPLY

Acceptance of the Supply shall be declared after verification by the Purchaser that it conforms to the Order and, where applicable, after receipt and acceptance by the Purchaser or Purchaser's representative of the sales documents, in particular the material certificates and drawings and more generally all documents laid down in the Order. At this time, the Supplier shall also give the Purchaser all information and documents relating to the safety and use of the Supply.

Delivery of and/or payment for the Supply by the Purchaser shall not constitute acceptance. If the Supply is refused, it shall be kept available at the point of delivery, at the Supplier's risk and expense. In the event of rejection, unless the Purchaser decides otherwise in writing, the Supply shall, at the choice of the Purchaser, be repaired or replaced very shortly without Supplier being entitled to raise any objection concerning in particular its production and/or delivery schedule

Article 7 - TRANSFER OF OWNERSHIP AND OF RISKS

The transfer of ownership shall occur on delivery of the Supply or, if payments are made before delivery, in proportion to the accumulated instalments paid. In the latter case, the Supplier undertakes to identify and isolate in the name of the Purchaser the Supply deliverable in execution of the Order as and when produced, in such a way that the said Supply cannot be confused with the Supplier's own stocks or with any other items deliverable to other purchasers.

The Supplier renounces right of recourse to any reservation of title clause not expressly agreed by the Purchaser. The Supplier undertakes to ensure that its chain of suppliers does likewise.

The transfer of risks shall occur in all cases on delivery of the Supply, except in the event of rejection of the said Supply, as described in Article 6.

Article 8 - PRICES

Unless otherwise specified in the Order, the prices stated in the Order shall be fixed lump sums. They shall include all costs incurred in the production, packing, loading, transport, and unloading of the Supply and in the recovery and processing of the packing materials. The prices shall be fixed and non-revisable. They are understood as being exclusive of VAT.

Unless otherwise provided for in the Order, the Supplier shall bear all costs relating to customs duties, taxes, fees and levies payable by Supplier.

Article 9 - INVOICING AND PAYMENT TERMS

Invoices shall be drafted in duplicate by the Supplier in the Purchaser's name. The invoices shall be sent to the address appearing in the Order, quoting the Order number and references. They shall be drawn up in the currency specified in the Order.

Provided that the Supply has been duly performed and its conformity recognised by the Purchaser, invoices shall be paid, unless otherwise stipulated in the Order, within sixty (60) calendar days from the date of the emission of the given invoice.

Unless otherwise provided for in the Order, invoices shall be paid by transfer to the bank account of the Supplier as indicated in the Order.

Payment of the invoice does not affect the Purchaser's right to dispute in writing any abnormal invoiced charge.

Article 10 - GUARANTEES

10.1 - Object

Having recognised that the Purchaser is acting as a mandated purchaser, the Supplier agrees that the guarantees that it provides under this Article 10 are equally for the benefit of the company which has mandated the Purchaser. It follows that the term "Purchaser" as used in this Article 10 shall include the Purchaser and the company that has mandated the Purchaser.

The Supplier guarantees that it has full right of disposal over the Supply concerned by the present Order. The Supplier further guarantees that the said Supply conforms to the specifications and samples stated in the Order and that it is exempt from all preferential rights.

The Supplier has the duty to inform, advise and warn the Purchaser, irrespective of the Purchaser's competence or knowledge. The Supplier shall also guarantee that the Supply corresponds to the objectives defined by the Purchaser, and the Supplier cannot have recourse to any claimed lack of precision in the documents attached to the Order.

The Supplier shall observe all laws, rules, provisions and codes of practice applicable to the Supply, in particular with regard to production, manufacture, repair, price definition and delivery, in order to ensure that the said Supply may be legally bought, sold or transported.

In relation to the two (2) preceding paragraphs, the Supplier hereby declares that, having examined the Order, it is not aware of any possible double-usage, civil and/or military, of the Supply as described in Article 2 1) of the European Union Regulation CE N° 428/2009 dated 05th May 2009.

10.2 – Duration and scope

The Supplier shall guarantee, for a minimum period of twenty-four (24) months from the date of the Supply being delivered and recognised as being in conformity with requirements, that the said Supply will be free of any defect, fault, contamination and abnormal wear of whatsoever nature. The Supplier shall bear all costs of any replacement and repair of the Supply, in particular travelling expenses and the costs of return to the factory, parts and labour.

Any replacement or repair of the Supply under warranty shall give rise to a new warranty for a minimum period of twelve (12) months from the date of delivery of the repaired or replaced Supply duly recognised as being in conformity.

Moreover, the Supplier remains bound by all the applicable legal guarantees.

10.3 – Availability of spare parts

The Supplier guarantees to supply all the spare parts necessary for the correct operation of the Supply for a minimum period of five years from the date of delivery, unless otherwise specified in the Order

Article 11 – QUALITY

11.1 – Quality control

Subject to providing three (3) calendar days notice in advance to the Supplier, the Purchaser or Purchaser's representative shall be entitled to carry out quality controls at the Supplier's production sites before or during execution of the Order. The quality control carried out by the Purchaser shall not reduce the Supplier's contractual liability in any way whatsoever, notably concerning the extent of the Supplier's own controls and it shall not affect the Purchaser's right to refuse all or part of the Supply on delivery.

11.2 – Traceability

The Supplier undertakes, at the written request of the Purchaser, to communicate to the latter all information which will enable it to identify the origin, place and date of manufacture of the Supply, in addition to the serial or batch numbers, if required.

The Purchaser undertakes to use the information provided by the Supplier only to withdraw or correct, if necessary, the Supply involved.

Article 12 - HEALTH, SAFETY AND THE ENVIRONMENT

Should in connection with the Supply the Supplier be at premises occupied by the Purchaser, the Supplier shall observe – and shall see to it that all employees and any subcontractors or representatives observe – all rules in force at the Purchaser's site regarding health, safety, working conditions and the environment and all legislation and regulations applicable to this subject.

Article 13 - LIABILITY AND INSURANCE

13.1 – Liability

The Supplier shall be fully and solely liable for the performance of the Order.

The Supplier shall be liable for all damage caused to the Purchaser or to any third party, whether such damage is caused by the Supplier or by persons and/or goods under its authority or in its custody.

The Supplier shall be liable for all direct or indirect consequences, prejudice and damage caused to the Purchaser due to a lack of performance, a default in performance or a non-performance of the order.

13.2 – Insurance

The Supplier and the Supplier's subcontractors must have taken out the following insurance policies, at their own expense, and must maintain the validity of the said policies for the period of execution of the Order, including any extension:

- a “General Public Liability” and a “Product Liability”, for a minimum amount of Euros 10,000,000 (Ten Million Euros) in each case and combined single limit per occurrence;
- a Civil Liability (third party) Automobile insurance policy for automobiles and automotive
- equipment used to execute the Order, in conformity with the applicable law;
- an insurance policy covering damage caused to its personnel, when the Supplier is located in a country in which there is no legal system of social security insurance;
- in addition, any other insurance to comply with the applicable laws and regulations.

Before commencing execution of the Order, the Supplier must provide the Purchaser with one or more insurance certificates from its insurers, certifying the existence, conformity, duration and renewal of the policy or policies, in conformity with the specimen certificate annexed to the Order.

Article 14 - FORCE MAJEURE

Neither of the Parties shall be deemed in default of their contractual obligations to the extent that their non-performance is due to a case of force majeure as defined by the French Courts. Force majeure shall only release the affected Party from its contractual obligations to the extent and for the period that the said party is prevented from performing the said obligations. Each Party shall bear all the expenses for which it is responsible and resulting from occurrence of the case of force majeure.

It follows that neither Party shall be entitled to invoke the occurrence of a force majeure event where that Party is already in default of those of its obligations under the Order, the performance of which is being prevented.

The Party affected by a case of force majeure shall immediately notify the other Party of the situation in writing supplying all necessary documentary evidence. The other Party reserves the right to check and verify the reality of the claimed facts. The Party claiming a case of force majeure must make every effort to reduce as far as possible any adverse effects arising from this situation.

In any event, strikes by employees of the Supplier or employees of any of the Supplier's subcontractors or suppliers shall not release the Supplier from liability for delay or impeded delivery.

If the event or circumstance giving rise to the case of force majeure continues for longer than eight (8) consecutive calendar days, the Purchaser shall be entitled to terminate the Order forthwith without any indemnity.

Article 15 - TRANSFER OF ORDER – SUBCONTRACTING

15.1 – Transfer

The Order is personal to the Supplier and the Supplier is not entitled to transfer it in any manner whatsoever to third parties, even in part, without the prior written consent of the Purchaser.

In the event of transfer to a company not controlled by the Supplier, or merger with a company not belonging to the same group as the Supplier, or in the event of a change of control, the Supplier must immediately inform the Purchaser thereof. Within eight (8) calendar days following Purchaser receipt from Supplier of this information, the Purchaser shall be entitled to cancel the Order without compensation, subject to a notice of eight (8) calendar days.

In all cases where the benefit of the Order is transferred to third parties, all the Purchaser's rights resulting from this Order, including the right to claim damages, shall be enforceable against the said third parties. Unless expressly stipulated to the contrary, the Supplier shall remain jointly and severally liable to the Purchaser for full execution of the Order.

15.2 – Subcontracting

The Supply manufactured in accordance with the specifications of the Purchaser and the operations associated with the execution of the Order cannot be subcontracted by the Supplier to third parties without the prior written consent of the Purchaser and may only be so subcontracted insofar as the Supplier observes all applicable legal provisions.

In any event, the Supplier shall remain solely liable for proper execution of the Order. The Supplier shall guarantee the Purchaser against any claims by the Supplier's subcontractors or personnel of the said subcontractors.

Article 16 - CANCELLATION

16.1 – Cancellation for non-performance

Each Party may cancel the Order as of right in the event of non-performance of an obligation of the other Party, after having issued a notice to this effect to the other Party that remains without effect for a period of eight (8) calendar days. In particular, the Purchaser may cancel the Order in the event of default or deficiency relating to the quality, characteristics, manufacture or performance of the Supply.

In the event of cancellation of the Order by the Purchaser, all payments already made and concerning an undelivered portion of the Supply shall be immediately refunded to the Purchaser.

16.2 – Cancellation at the initiative of the Purchaser

The Purchaser may cancel the Order at any time, subject to issuing ten (10) calendar days' written notice to the Supplier. In this case, and on notification, the Supplier shall immediately cease further execution of the Order.

In the event of cancellation as provided for in the preceding paragraph, the Parties have agreed that the indemnity payable by the Purchaser to the Supplier cannot exceed Fifteen Per Cent (15%) of the amount of the Order

16.3 – Cancellation in the event of bankruptcy

Unless otherwise decreed by applicable laws, the Purchaser may cancel the Order as of right without warning and without notice in the event of liquidation or bankruptcy of the Supplier, or in the event of the latter being put into receivership.

16.4 – Possible return of the Supply

The Purchaser reserves the possibility during the ten (10) calendar days following delivery of the Supply to return carriage forward to the Supplier any Supply that was not in fact ordered or transported without an order from the Purchaser or identified upon its arrival as not being in conformity with the Order or at the convenience of the Purchaser, and thereafter to exercise such rights as it sees fit.

In any of the instances mentioned in the preceding paragraph the Supplier shall send to the Purchaser the credit note corresponding to the invoice issued by the Supplier in respect of the so returned Supply.

Article 17 - INTELLECTUAL PROPERTY RIGHTS - INFRINGEMENT THEREOF

17.1 – Transfer of intellectual property rights

The agreed financial conditions include transfer to the Purchaser of the material and intellectual property rights of all elements, particularly the plans, studies and documents prepared by the Supplier and/or any other third party called upon within the context of the Order, without there being any need to mention this on the Order. Consequently, the Supplier transfers to the Purchaser all rights of use, reproduction, representation, modification, marketing and utilization of these elements for all countries, languages and media and for the duration of (ownership of) intellectual property (rights).

This transfer of ownership shall occur as production of these elements progresses.

17.2 – Infringement of intellectual property rights

The Supplier guarantees the Purchaser against any claims or legal action by third parties due to an infringement of intellectual property rights concerning the Supply. The Supplier shall compensate the Purchaser for all consequences of such action, in particular if the Purchaser is obliged to withdraw the Supply.

If a prohibition of use is pronounced against the Supply, the Supplier must, at its own cost and at the choice of the Purchaser, either replace or modify the Supply in such a way that the infringement no longer occurs. These solutions must be implemented within time scales compatible with the needs of the Purchaser to use the Supply. Failing this, the Supplier undertakes to refund the Purchaser the price of the Supply.

The above provisions do not affect the right of the Purchaser to claim all relevant damages with interest from the Supplier.

18 - STANDARDS ON THE PROTECTION OF HUMAN HEALTH AND ENVIRONMENT

Caring for the environment and respecting health and safety in the work environment are part of the Purchaser's Code of Conduct.

The Supplier undertakes to meet all applicable standards regarding chemicals sold to Purchaser, regardless of whether these substances are supplied to be used on their own, in preparations, or in articles.

The Supplier especially undertakes to comply with the REACH European Regulation n° 1907/2006 concerning the registration, evaluation, authorisation and restriction of chemical substances.

Therefore, in accordance with the European Regulation REACH, if the substances provided within the framework of the Order have to be registered with the European Chemicals Agency, the Supplier guarantees in particular to the Purchaser that the substances have been pre-registered and/or will be registered within the deadlines set by the European Regulation REACH, the aforementioned registration having to cover all use by the Purchaser of these substances.

In the event that all or part of the substances supplied to the Purchaser are subject to authorisation or restriction, the Supplier undertakes:

- with regard to substances subject to authorisation, to supply only those substances duly authorized for the uses the Purchaser intends to make of these substances,
- with regard to substances subject to restriction, to supply only those substances which comply with the restriction measures imposed by European Regulation REACH,
- to notify the Purchaser of any change in regulation applicable to these substances (especially in the case of a ban on their uses) and of any substitution feasibility for such substances.

The substances, whether supplied to be used on their own, or included in preparations, or articles, will have to be delivered:

- in packaging compliant with standards applicable to the labelling and packing of chemicals such as those set by the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) established by the United Nations,
- accompanied by sufficient information enabling the Purchaser to use them in full safety.

Whenever required by the regulations in force, the Supplier undertakes to provide the Purchaser with the corresponding material safety data sheets (MSDS). The MSDS should comply with the applicable regulations and be identical, irrespective of their linguistic version and/or of the country of delivery of the substances. The Supplier will have to update MSDS on a regular basis and will have to communicate these updates to the Purchaser. In addition, the Supplier undertakes to notify the Purchaser if the products supplied contain any substance of very high concern, as defined by the European Regulation REACH, above a 0.1% weight by weight.

Article 19 – ETHICS - PURCHASER'S CODE OF CONDUCT

The Supplier shall comply with the ethical principles and all the laws and regulations to which reference is made in the Code of Conduct of the Purchaser [ENTREPOSE Services Group], a copy of which is available on request or at the Purchaser's Web Site, www.eucoscorp.com. The Supplier shall also ensure that any of its subcontractors comply with the same.

Consequently, the Supplier shall defend, indemnify and hold the Purchaser harmless from any financial consequences incurred as a result of failure to comply with these obligations.

Article 20 - CONFIDENTIALITY

All documents or information exchanged between the Parties or to which the Supplier has access shall be treated as strictly confidential. Each Party undertakes to observe this obligation of confidentiality and to ensure that their personnel and any other third parties do likewise.

Unless otherwise specified in the Order, this obligation of confidentiality shall expire ten (10) years after the date of delivery of the Supply.

Article 21 - REFERENCE TO THE PURCHASER'S BRANDS AND TRADE NAMES

The Supplier shall not be entitled to refer to the company names or brands of the Purchaser's group, for any purpose whatsoever, without the prior, express, written permission of the Purchaser.

Article 22 - APPLICABLE LAW – SETTLEMENT OF DISPUTES

22.1 Applicable Law

The Parties have agreed that regardless of where any action may be brought, the Order shall in all respects be governed, construed and interpreted in accordance with the Laws of France to the exclusion of any choice of law rules that would require the application of the laws of another jurisdiction, as well as to the exclusion of the 11th April 1980 Vienna Convention on the International Sale of Goods.

22.2 Settlement of Disputes

In the event of any dispute arising out of or in connection with this Purchase Agreement that cannot be resolved amicably or has not been the object of an amicable resolution, the Parties shall upon the written request of either Party submit the matter to proceedings either

- i) in the case of a Supplier domiciled within the European Union, before the Commercial Court (Tribunal de Commerce) of Pontoise (95), France, or;
- ii) in the case of a Supplier domiciled outside of the European Union, under the ICC ADR Rules (ICC Publication 809). If the dispute has not been settled within Forty-Five Days following the filing of a Request for ADR or within such other period as the Parties may agree in writing, such dispute shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules of Arbitration. Such arbitration, if any, shall take place in Paris, France, and be conducted in the English language.

END OF GENERAL PURCHASE AND PROCUREMENT CONDITIONS