



GENERAL CONDITIONS OF SALE

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FOREWORD

The general sales conditions of the General Production Union of Rubber Products (SGFPC)

filed at the Commercial Court of Paris on April 2, 1998, apply to all the transactions made by our company.

Placing an order entails that the order be accepted by the customer, notwithstanding any clause to the contrary in his own purchase conditions, and unless otherwise specified by a special contract expressly stipulating the points on which the supplier accepts a waiver.

Article 1 - DEFINITIONS

The terms used hereafter will have the following meanings :

"Supplier" means any physical or moral entity manufacturing and/or marketing rubber parts.

"Customer" means any physical or moral entity using these parts for his professional activity or any reseller or dealer of them.

"Parts" mean any product manufactured and/or marketed by the supplier.

"Materials" mean any raw material, mix, or semi-worked product (sheet, plates, etc.) used to manufacture the parts.

"Products" mean any product or component used or supplied by the customer.

"Order" means any order issued by the Customer. This term includes any order whether open or closed resulting in one or several deliveries.

Article 2 - OFFERS, DISCOUNTS, ORDERS

Validity term of the offer:

Only an offer written by the supplier is valid and commits him only for a period of ONE (1) MONTH, unless another period is specified in the offer.

Order :

An order placed directly or through representatives shall commit the supplier only if confirmed by him and exclusively under the terms of his confirmation. If no response is received confirming the order within 48 hours, it implies that the customers have accepted all the general sales conditions on which the supplier is exclusively committed.

Open order:

Based on periodic or timed deliveries, it may be concluded only for a limited duration agreed to by the supplier and the customer.

Pricing validity:

Prices are firm for one (1) month or for the period indicated on the acknowledgment of receipt of the order. Concerning products on estimate and special productions, prices are revisable during the performance of the orders according to cost variations of various price parameters.

When the customer supplies tooling, prices become final only after acceptance of trial parts.

Article 3 - ORDER CANCELLATION

The customer who cancels all of his order or a part of it, or who pushes off the delivery date without the supplier being responsible for it shall indemnify the supplier for the totality of the expenses engaged (studies, tooling, "materials", and other expenses) at the date of receipt of the customer's notice without prejudice to any direct and indirect consequences which supplier would support following this decision. If necessary, the supplier shall have the right by law to cancel the sale at the customer's expense by giving notice of cancellation by registered letter in the following cases:

- default on one or more of his obligations;
- bankruptcy or legal stewardship of the customer.

Article 4 - STUDIES, PROJECTS, PROTOTYPES, DOCUMENTS

Studies, projects, prototypes and associated documents from the supplier and submitted to the customer shall remain the supplier's property. They may not be used, reproduced or communicated to third parties without the supplier's written agreement. They may not be filed in a patent or a model which excludes the supplier.

Article 5* - TOOLINGS, MOLDS, SPECIAL EQUIPMENT

Tooling price :

The price of the tooling made or subcontracted does not cover the supplier's intellectual property on this tooling, that is, the contribution of his expertise or his patents to its study, development and debugging. Similarly, for any adaptations which the supplier may make on the tooling supplied by the customer to ensure that the parts are properly executed.

Tooling withdrawal indemnities:

If the customer should decide to withdraw the tooling, he agrees to pay as a compensation an indemnity to cover studies and debugging costs. This indemnity will be equivalent to the original bill.

Special equipment:

For a special production requiring the purchase of special equipment, if a parts

order is canceled, an additional indemnity shall be due representing the cost price of the special equipment on the date of the indemnity payment.

Payment of tooling and prototypes:

Toolings and prototypes shall be paid as a minimum under the following terms: one third (1/3) at receipt of the order by check on the pro forma bill and the balance at delivery of the parts for acceptance by promissory note or certified promissory note payable at thirty (30) days on the tenth (10th) of the following month.

Tooling change:

Any tooling change requested by the customer shall be evaluated by an estimate and may only be executed under a closed order.

Article 6 - CUSTOMER SUPPLIED PRODUCTS

If the supplier should intervene as a contractor exclusively for work, the customer will deliver or have delivered at his expense and risk and taking into account a loss of at least five percent (5 %) the required products conforming to the performance of the order. The goods will be delivered taking into account the deadlines and normal production incidentals of the suppliers.

Article 7 - GUARANTEES

Delivered quantities guarantee:

In the case of special production, the supplier reserves the right to deliver and bill at more or less ten percent (10 %) of the quantities stipulated in the contract, unless otherwise specified in the specification and accepted by him.

Any complaint on the quantities delivered should be submitted within eight (8) days following the date of receipt of the goods.

Quality guarantee:

In the case of in-series products, and unless otherwise specified in the order, weights, dimensions, capacities and other information given in the supplier's catalogs, prospectuses, leaflets, and other documents are construed to be given as a guide.

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In the case of products on estimate, the products are guaranteed to conform to the specifications given in the specification or by default in the order and accepted by the supplier.

In the case of a customer complaint on delivered parts, the supplier reserves the right to examine them on the spot.

A dispute concerning a delivery or a part of a delivery cannot lead to a refusal of payment for other undisputed deliveries.

When the supplied parts are incorporated in an assembly by the customer or a third party, the latter will be solely responsible for the adequacy of the parts for their usage.

Any defect in the design, assembly or other kind of defect will terminate the supplier's guarantee. The supplier may not be held liable for the usage of a part other than for which it was intended.

No goods may be returned without prior agreement from the supplier. In this case, the goods should be returned correctly packaged at the customer's expense. When it is specified in the order that the products will be in contact with food, the supplier agrees to use only materials conforming to the regulations in force and guaranteed for this usage by his own suppliers.

The supplier's guarantee after agreed to by the customer consists of :

- crediting to the customer the value of the parts recognized as not conforming to the drawings and prescriptions of the contractual specification or to the reference parts accepted by him;
- or replacing them free of charge;
- or proceeding or having proceeded, if necessary, with their conformization.

The parts replaced by the supplier will be covered by a credit note; the replacement parts will be billed at the same price as the replaced parts.

In case of conformization, it will be done according to the terms and conditions decided on and/or agreed to by the customer. The supplier shall bear the costs if he does confirmization himself or give his prior agreement if the customer decides to do it at a previously announced price.

The replacement or conformization of parts agreed to by the supplier and the customer shall not modify the guarantee's conditions.

The parts for which the customer has obtained a credit note, the replacement or conformization by the supplier, unless otherwise specified, should be returned to the latter by a "carriage forward" shipment; the supplier reserves the right to choose the transporter.

Under penalty of losing the right to the previously defined guarantee, the customer shall declare in writing the non-

conformities as soon as they are discovered and explicitly request the replacement or conformization of the defective parts within a maximum deadline from the delivery date of:

- ten (10) days for visible non-conformities;
 - six (6) months for other non-conformities, this deadline being reduced to one (1) month for in-series productions.
- After these deadlines have expired, claims shall no longer be accepted.

Any parts conformization performed by the customer without supplier agreement on its principle and its cost will lead to the loss of the right to the guarantee.

The guarantee will not cover under any circumstances:

- damages caused by a defective part during its utilization if the designer customer has committed the error of placing it in service without first performing or having performed with all inspections and tests that its design, its utilization and the sought industrial result would require;
- the costs for operations that the parts may possibly undergo before they are placed in service;
- the mounting, dismounting and withdrawal of these parts by the customer;
- and generally any other damage unless a serious professional error was committed by the supplier.

Article 8 - INSPECTIONS, CHECKS AND TESTS

When the customer assumes entire responsibility for the design of the parts according to the industrial result he is seeking and he alone knows precisely, he decides accordingly for the contractual specification, which fixes the specifications designed to define in all their aspects the parts to be made, as well as the nature and modalities of the inspections, checks and tests imposed for their acceptance.

The customer's acceptance of proposals aimed at improving the specification or changing the drawing of the parts cannot be construed in any way as a transfer of responsibility; in this case, the customer remains the sole responsible for the design.

In all cases and even without acceptance, the nature and extent of the required inspections, checks and tests, the standards, as well as tolerances of any kind, shall be specified in the drawings and the specification necessarily attached by the customer to his request for proposals and confirmed in the contract awarded by the customer to the supplier.

The inspections, checks and tests demanded by the customer can be performed when requested by him by the supplier or by a laboratory or by a third party organization. This shall be specified at the latest at the conclusion of the contract, as well as the nature, extent and cost of these inspections, checks and tests.

If acceptance is required, its extent and conditions are to be established at the

latest at the conclusion of the contract. Unless otherwise specified in the contract, acceptance takes place in the supplier's premises at the customer's expense at the latest during the week following the "availability for acceptance" notice sent by the supplier to the customer or to the organization responsible for this acceptance.

In case of defaulting by the customer or the control organization, the parts will be stored by the supplier at the customer's expense and risk. If after the supplier sends a second notice and should it remain without effect for the following two (2) weeks, the equipment will be deemed accepted and the supplier shall have the right to bill it.

Since the principle and modalities of non-destructive tests can only be defined based on the design of the parts, the customer shall always specify in his request for proposals and in his order the tests which he has decided on, and the sections of the parts where they must be executed in order to determine in particular the financial conditions of the defined guarantee.

In any case, these tests and acceptances are performed under reference standards according to the conditions defined by the documents and the specification, such as they are decided on by the customer and accepted by the supplier.

If there is no specification concerning the inspections, checks and tests to be performed on the parts, the supplier will carry out a simple visual and dimensional inspection.

The price for the inspections, checks and tests is generally separate from that for the parts, but it may be incorporated in it after agreement between the supplier and the customer. This price takes into account the cost for the special work necessary to obtain conditions indispensable for the correct execution of these inspections, checks and tests, particularly for the non-destructive tests.

For the productions controlled by a Quality Assurance System, this condition must be specified by the customer in his request for proposals and in his order; the supplier will confirm this in turn in his proposal and in his order acceptance without prejudice to the provisions of the previous articles.

Article 9 - FORCE MAJEURE

All recorded orders have a reserve clause authorizing the supplier to suspend without indemnity the commitments taken for the following cases: strikes, lockout, fire, bad weather, and other cases of force majeure occurring at the supplier's premises as well as at those of his own suppliers.

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Article 10 - INTELLECTUAL AND ARTISTIC PROPERTY - INDUSTRIAL PROPERTY

In any case, the customer agrees to protect the supplier against all conse-

quences resulting from legal actions which could be instituted against him because of the execution of an order for parts covered by industrial or intellectual property rights, such as patents, registered trademarks or models, or any other exclusive right.

The transfer of parts does not entail the transfer of the supplier's industrial or intellectual property rights on his production studies to the customer. This is also true for the studies which the supplier proposes to enhance the quality or cost price of the parts by an original change in the specification. If he accepts them, the customer shall agree with the supplier to the conditions under which they may be used within the order. In any case, the customer can neither use the supplier's studies for his own purpose nor disclose them unless he has expressly acquired the intellectual property.

Industrial property and particularly the supplier's patents, models and registered trademarks remain in any case his exclusive property.

Unless otherwise specified in writing, the customer authorizes the supplier to exhibit the part he has made in such events as fairs, shows, exhibitions, and on his advertising and commercial documents.

Article 11 - PRODUCTION AND DELIVERY SCHEDULE

Delivery schedules start on the date the order is confirmed by the supplier and at the earliest on the date when all documents and materials have been supplied by the customer, who has fulfilled all other prior conditions incumbent on him, particularly the payment of the tooling and the agreement on the "BAT" samples.

The imperative character of the agreed to delivery schedule shall be specified in the contract as well as its nature (availability date, test or acceptance presentation date, effective delivery date, etc.). If such details are missing, the delivery schedule will be considered to be indicative.

Any change in the supply's contractual conditions will lead when requested by the supplier to a new delivery schedule.

Delivery schedules are extended when requested by the supplier or the customer for any cause out of their control and having made the requester for this extension incapable of fulfilling his obligations.

The defaulting party shall give written notice to the non-defaulting party of this unforeseeable incapability and the two parties shall immediately arrange to work out provisions to cope with the situation.

Article 12 - DELIVERY AND STORAGE CONDITIONS

Unless otherwise specified, the supplier's prices shall cover goods ex works excluding packaging costs.

Goods may be delivered and billed as soon as they are terminated except for an open order.

In case of shipment F.O.B., it is understood that the least expensive transport will be used; additional costs for any other transportation mode will be at the customer's expense. Goods - even those shipped F.O.B. - travel always at the consignee's risk. In case of damage, loss or theft during shipment, or in case of a delivery delay, the consignee shall be responsible for taking all measures against the shippers.

Any storage by the supplier above that provided for in the order confirmation will result in a price increase on the goods still to be delivered of two percent (2 %) per month, this amount representing storage and financial costs.

Article 13 - SUPPLIER IDENTIFICATION

Unless otherwise specified by the customer, the supplier is authorized to print on the parts his name, logo or company number provided they appeared earlier on the delivery slip.

Article 14* - PAYMENT CONDITIONS - REFERENCE TIME

Bills are payable at the supplier's headquarters; letters of exchange and acceptances are neither a substitution nor a waiver for the so-called payment site.

Payment is considered made as soon as the supplier has full availability of the funds, the counterpart of the sale. It is the moment when either the supplier's bank account is definitively credited or a cash payment is made.

Without prior agreement between the customer and the supplier, payments are net cash payments without discount at the moment of the order against a bill.

When payment by promissory note or negotiable instrument has been agreed to, they must be returned with the acceptance within eight (8) days after the date of receipt.

The reference day from which the payment starting point is determined is the goods delivery or availability date(s).

The non payment of a bill or a negotiable instrument at the fixed due date will entail the immediate payment of all outstanding sums, as well as the right to penalties if

the payment is made after the deadline set by these general sales conditions or after the deadline set by the bill if the payment date indicated on the bill comes after the deadline set by these general sales conditions. Late payment penalties will be exigible after EFJM gives notice for any late payment. Late payment penalties will be calculated by applying to the sums due an interest rate equal to three times (3 X) the legal interest rate for each day late as of the due date of payment.

Article 15 - PROPERTY RESERVATION

Any order made with our company assumes the acceptance by the customer of the property reservation clause in compliance with the provisions of the law no. 85-98 of January 25, 1985, related to property reservation: supplied goods will remain the property of the supplier until the day on which they are completely paid. If payment would not be made within the scheduled deadline, the supplier reserves the right to recover the delivered item.

Article 16 - DISPUTES

Disputes will be settled solely under the jurisdiction of the Tribunal of the supplier's headquarters, including in the case of a claim for warranty and a plurality of defenders, and not withstanding any contradictory clause in the customer's purchase conditions.

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Only the articles marked with an asterisk (*) were modified by EFJM

