

## 1. APPLICATION OF THESE GENERAL PURCHASE CONDITIONS

These general purchase conditions form an integral part of the order.

The below mentioned conditions are applicable on any purchase order issued by NEU-JKF Process (N.P.). Any contrary clauses notwithstanding, these general purchase conditions shall prevail over the suppliers' general conditions of sale.

## 2. ACKNOWLEDGEMENT OF RECEIPT OF THE ORDER

Each order must be accepted by the supplier unreservedly within ten days at the latest of issuance of the purchase order.

If the supplier does not acknowledge receipt within eight days, the order shall be deemed to have been accepted unreservedly.

## 3. DEFINITION OF THE SUPPLY

### 3.1. Limits and exclusions

Such limits and exclusions are specified in the order form and its annexes. It is explicitly agreed that in the event some details falling within the supplier's sphere of competence have been omitted, the supplier should take them into account in his supply without being entitled to any extra charge or time.

### 3.2. Out-contracts

Under no circumstances shall the subcontractor assign, either in full or in part, his goods and services to one or more subcontractors without N.P.'s consent in writing. He shall retain full responsibility for his supply.

### 3.3. Supplying of drawings and documents by the supplier

The supplying of drawings, operating and installation instructions, quotes for spare parts, EC compliance certificates and any other documents required form an integral part of the order. Failure to produce the said drawings and documents shall cause the payment for the balance of the supply to be withheld.

## 4. QUALITY – FOLLOW-UP – INSPECTION – CONTROL - TESTING

For the purpose hereof, the supplier shall implement a system of quality assurance meeting ISO 9001: 2008 standard requirements "Quality System – Model for quality insurance regarding design, development, production, installation and associated services", or at least apply necessary methods and procedures to guarantee the product conformity to all order items and generally speaking to act according to the rules.

N.P. reserves the right to check proper execution of the order throughout its duration and by all means from a technical point of view as well as in terms of delivery times.

The costs incurred by the supplier in respect of control and testing operations under the contract shall be borne by the supplier.

If, during the inspection in the plant, in our warehouses or on the work site any non conformity in respect of the specifications laid down in the purchase order or any malfunction is observed, the supplier shall modify or replace the equipment at his own costs (including costs relating to further checks) until compliance or proper functioning has been obtained.

The surveillance, inspection and acceptance of N.P.'s equipment shall not release the supplier of his manufacturer's responsibility which shall remain complete.

## 5. GUARANTIES - RESPONSIBILITY

### 5.1. Guarantee of compliance and/or performance bond in respect of the supply

The supplier guarantees:

- Compliance with our order as well as with any contract specifications and reference standards.
- The quality of the design and materials
- The quality of the manufacturing and completion in accordance with state of the art principles.
- Proper mechanical, thermal, electrical, pneumatic ... operations.
- Delivery of the performances required.

### 5.2. Term of the guarantee

Unless otherwise stated in the order, this guarantee shall remain valid for a period of 12 months from the date of commissioning by the end customer.

### 5.3. Terms of application

The supplier shall promptly remedy in full and at his own costs any defect regarding the goods. He shall also make good the consequences such defects may have had on our customers and ourselves.

## 6. PACKAGING AND MARKING OF THE PARCELS - SHIPMENT

The equipment shall be adequately protected against any damage occurring during transport operations (including loading and offloading). The equipment shall also be protected against bad weather and moisture. Special precautions shall be taken for the protection of machined or polished parts.

The parts or parcels shall be identified and marked in a very legible way in accordance with the instructions supplied by N.P.. A packing list shall be placed inside each parcel. Unless otherwise specified in the order, the packaging and the transport shall be done at the supplier's own costs and risks.

The buyer shall be allowed some time to delay the shipment of the equipment after its completion. In which case, the equipment shall be carefully stored by the suppliers on his premises. This storage shall be free of charge and shall entail no right to indemnification charged to the buyer.

## 7. PRICE

Unless otherwise provided, the prices given in the purchase order shall be firm and not subject to any modification and refer to duty-paid merchandise delivered carriage and packaging free and subject to deduction of the penalties in the event these are applicable.

## 8. INVOICING

The invoices –one per order- shall be sent in one copy for each purchase order to N.P.'s Suppliers' Accounts Department stating the full references of each order (purchase order N°, date and place of delivery, N° of supplier's delivery note). All the invoices not meeting these conditions shall be refused and returned.

## 9. TERMS OF PAYMENT - CLEARING

Unless otherwise specified, any payment shall be effected by bill of exchange at 90 days end of the month of invoicing carried forward to the 10 of the next month all daily interest to be charged to the supplier. Payment for any invoice received by N.P. from the 10 of the month following its date of issuance shall be automatically postponed by one month. The amount paid shall eventually take into account penalties for delay calculated according to Article X below.

## 10. PENALTIES

Unless otherwise stated in the order form: -

Any late delivery on the part of the supplier in respect of the delivery times guaranteed under the contract shall be subject to penalties for late delivery of 1% per week behind schedule. Penalties shall apply by right, any failure to meet delivery times shall be deemed to constitute final demand by right. Their amount shall be calculated on the full value of the order.

## 11. LEGAL PROVISIONS FOR THIRD PARTIES' PATENTS, TRADE MARKS, DESIGNS

The supplier represents he complies with legal provisions regarding patents, trade marks, registered models in respect of the design, the shape, the construction, manufacturing processes of the equipment. In any case, he shall hold N.P. harmless of any claim lodged either directly or indirectly by any holder of any right relating to the ownership or use of such patents, trade marks or designs.

## 12. N.P.'S INDUSTRIAL PROPERTY RIGHTS

The technical and commercial data submitted to the supplier by N.P. and forming the basis for the execution of the orders have been designed by N.P. who retains all industrial property rights in respect of the said data. The supplier undertakes to maintain strict confidentiality on his own behalf and that of any person or corporate entity to whom he has to divulge some of these data for the proper execution of the order.

## 13. INSURANCE

The supplier shall insure the supplies "ad valorem" for the transport from the plant to their destination if such transport is chargeable to him. The supplier shall insure "ad valorem" all the equipment and/or tools N.P. may entrust him with.

Wherever the supplier is also in charge of the erection or any other operation on the site of the supply he undertakes to take out a professional civil liability insurance policy specific to this activity and adequate insurance covering: -

his personnel against any risks pursuant to existing labour laws as well as against the risks provided under any statute book or agreements it may fall under, his liabilities towards any third parties for any material or physical damage caused by an accident, a fire and an explosion resulting from or in the course of the performance of the services incumbent upon him, his equipment and temporary facilities on site and he shall waive the right to take any legal action against the owner and his representatives in the event of an occurrence. He shall supply all documentary evidence of these guarantees on N.P.'s first request.

## 14. TERMINATION

The failure to execute any of the clauses set forth in these general or special conditions may result in this contract being terminated by right upon final demand being sent via simple registered mail with recorded delivery with no further legal steps being required.

## 15. TRANSFER OF OWNERSHIP

The transfer of ownership is effected upon the delivery of the supply or its being made available to N.P. on the supplier's plant wherever such provision has been laid down in the purchase order.

However, the said transfer of ownership shall not entail any transfer of risk. Therefore, the supplier shall retain legal custody of the materials or supplies concerned and shall remain answerable for their loss, loss in value or any damage they may cause.

## 16. DISPUTES

The French laws shall apply in respect of all disputes, differences or litigation arising from or as a result of this order and the Commercial Court of Lille shall have sole jurisdiction even in the event of an impleader or the involvement of more than one defendants.