

**GENERAL TERMS AND CONDITIONS (version applicable as from 01.01.2006)**

**1. GENERAL STIPULATIONS**

- 1.1 Unless explicitly otherwise agreed in writing, all our agreements, offers and orders and all related deliveries, sales and contracting jobs are governed by the terms and conditions stated below. These terms and conditions are deemed to have been accepted by the customer by the simple fact that the customer negotiates or enters into an agreement with our company.
- 1.2 Unless explicitly otherwise agreed in writing, the terms and conditions stated below take precedence over any contractual terms and conditions printed on documents issued by our contracting partner and must be regarded as non-existent by the latter.
- 1.3 Any obligation is valid only if signed by a person authorised to do so by Sadef.
- 1.4 We reserve the right to refuse the agreed material by the customer if it is of at least equivalent quality.
- 1.5 In order to be binding, each order must first be confirmed in writing by us. Once it has been accepted by us, an order cannot be changed or cancelled by the customer without our explicit consent and under the conditions laid down by ourselves.
- Any changes to orders, drawing and models must be notified to us in writing and are only binding after having been confirmed in writing by Sadef, subject to the stipulations of article 1.8.
- 1.6 All our quotations are made without any commitment and are to be regarded merely as proposals. They are valid during a period of 14 days after their date of issue. After this period, we reserve the right to change our prices or refuse the order.
- 1.7 Unless otherwise agreed in writing, we are entitled to revise our prices every three months, depending on any changes in the market situation. This also applies if orders are delivered on a call off basis. All our prices are exclusive of VAT and ex works, unless otherwise agreed in writing.
- 1.8 We are not bound by fax or e-mail messages from our customers or of third parties, unless we acknowledged their receipt and our acceptance in writing.

**2. TERMS, EXECUTION, DISSOLUTION**

- 2.1 The terms of delivery are always given by way of indication, without any obligation on our part. Unless explicitly otherwise agreed in writing, non-observance of these terms can never entitle the customer to claim a compensation or to cancel the agreement. The customer cannot refuse partial deliveries by Sadef.
- 2.2 The agreed terms do not commence or, if a fixed date of commencement has been agreed, this date is postponed by successive periods of 5 working days until all of the following conditions are met : we are in the possession of an approved agreement or offer and of an approved copy of the plan ; the customer has fulfilled all prior payment obligations ; the agreed advance payment has been made before the start of the production; the customer has provided all data necessary for the preparation and execution of the agreement.
- 2.3 Any event which may prevent or render more difficult the regular deliveries, the normal production or the transport of the goods authorises us to cancel the order unilaterally or to delay its execution, without the customer being entitled to a compensation.
- 2.4 If the customer fails to fulfil his obligations and in case of bankruptcy or apparent insolvency, we are entitled to regard the agreement as dissolved without any formal notice of default being required and by operation of law. In such cases, it is sufficient to notify the customer by simple registered letter. The parties explicitly agree that, in case of dissolution of the agreement to the prejudice of the customer or in case of a breach of contract committed by the customer, the latter will owe our company a compensation fixed at 25 % of the contract price. However, the customer will have to pay the damage actually suffered if higher than 25%. If our company prefers to proceed to the forced execution of the agreement, the contractually agreed amount is invoiced in full and is due immediately. In that case, we will only have the obligation to deliver materials after receipt of the full amount.
- 2.5 Any amount invoiced can be claimed at any moment and the customer explicitly waives his right to invoke the suspension of his payment obligations on account of incomplete, defective or late deliveries or performances. If necessary, the customer can submit a claim in this respect. However, this claim will not suspend the obligation to pay the outstanding balance of the invoices owing to Sadef.

**3. DELIVERIES AND SHIPMENTS**

- 3.1 Delivery and acceptance of the goods take place at all times in the factory in Gits, when the goods are made available to the customer and before they are loaded in our factory for transport to the customer, even in the case of sales FOB, CIF, DEQ or carriage paid. Until that moment, the customer is free to inspect the goods in our premises. Afterwards, the goods are deemed to have been approved.
- Transport takes place at the customer's risk and under the conditions laid down by the carrier. In case of damage during transport, the customer will only be able to file a claim against the carrier or his insurer, without indemnification by Sadef. We will effect a transport insurance only at the request of the customer and provided that the customer pays all relating costs.
- In the event that the transport is organised by the customer, the guide lines for carriers (copy is sent together with the order confirmation of which the customer acknowledges receipt) are to be adhered to.
- If these instructions are not met, possible costs and delay in loading are the full responsibility of the customer. The customer is also fully responsible for any damage due to the non-respect of these instructions and will guarantee Sadef for all possible claims.
- 3.2 The place of unloading must be easily accessible to lorries or other vehicles and must be free of constructions or obstacles. All additional charges resulting from the fact that the site is not easily accessible will have to be paid by the customer.
- 3.3 Any damage suffered by us, the client or third parties, occurring after a proper execution of the works is to be compensated by the customer, who will indemnify us in this respect.
- 3.4 We retain the right of ownership of the goods delivered until complete payment of all amounts that are due to us as a result of our contractual relationship or that will become due to us in the future for any reason whatsoever.
- If the customer processes our goods or incorporates them into other goods, we acquire a right of joint ownership with respect to these goods in proportion to the value of our goods in the objects created by means of processing or incorporation. The customer will store the goods with regard to which we have a right of joint ownership without any charge.
- All risks are to be borne by the buyer. Any advance payments made in order to cover any losses suffered in case of resale of the materials will remain property of Sadef.

By accepting these terms and conditions, the customer agrees that in case of resale of our goods by the customer, he will transfer to us any claims and accessory rights which he may have as a result of the resale. The customer will be authorised to collect the amounts of the claims as long as we do not explicitly revoke this authorisation. The authorisation to collect amounts is in any case cancelled, without explicit revocation by Sadef, in case of suspension of payment by the customer. At our request, the customer will inform us immediately in writing of the names of his customers and of any claims and rights which have arisen as a result of the resale. In addition, the customer will be responsible for and pay the costs of the notarial instrument containing the transfer of his claims to Sadef.

The customer is not entitled to dispose in any other manner of the goods which are the object of a retention of title or with regard to which we have a right of joint ownership, nor of the claims that were transferred to us.

If the value of the securities provided in favour of Sadef exceeds the amount of the claim of Sadef by more than 20%, Sadef will, at the request of the customer but at Sadef's sole discretion, release securities up to the amount of his claim.

- 3.5 If an order is to be delivered on call, deliveries will be made monthly and the quantities to be delivered every month must be in proportion to the duration of the agreement or to the total quantity ordered.
- 3.6 Unless explicitly otherwise agreed, gross weights are considered to be net weights without packaging material. Crates, packaging materials and accessories, excluding fastening materials, are charged at cost price, even if this is not explicitly mentioned in our offers or our order confirmations. If the packaging material must be returned, the return transport must take place at no charge for Sadef. The packaging material that is returned must be in good condition, allowing its further use. This applies amongst others to containers used for the delivery, which remain in any case the property of Sadef.
- 3.7 Processing of material supplied by the customer on a free issue basis will be done at the customer's risk. Sadef is only responsible for the value added to the goods to be processed and declines any responsibility relating to loss of raw material during the production process. Customers can be held responsible for any extra production costs resulting from material defects on the materials they've supplied.

**4. INSTALLATION AND TECHNICAL CONDITIONS**

- 4.1 Unless otherwise agreed, the profiles produced by us meet the Euronorm EN 10-162 standard. Characteristics and tolerances relating to materials used meet the EN standards that are applicable to the steel industry. In particular, the tolerance with regard to the total weight is fixed at 10 %. 6 % of the total quantity ordered can be delivered in short lengths of 1.50 metres minimum.
- 4.2 The tools used to manufacture the profiles are only suitable for our machines. If the customer participates in the costs of the tools, he becomes the joint owner of the tools, without being entitled to use these tools with other machines. If the customer pays a contribution towards the costs of the tools, Sadef undertakes not to use the tools for the production of profiles for third parties. If the tools are not used for the execution of an order during a period of 36 months, Sadef is authorised to scrap the tools destined for the production of the profiles concerned, unless the customer is prepared to pay for the further storage of these dedicated tools or unless explicitly otherwise agreed with the customer.
- 4.3 Production and sale by Sadef in accordance with drawings and orders that may be subject to intellectual property rights held by a third party take place on the sole responsibility of the client, who will have to indemnify us against all negative consequences for Sadef.

**5. PRICE, PAYMENTS, SECURITIES**

- 5.1 If the customer fails to strictly and completely fulfil the payment conditions (including the conditions and credit limit of the credit institution if a credit has been granted) or becomes insolvent, our company is entitled either to demand payment in cash and the provision of sufficient securities before commencement of any production or to invoke the dissolution of the agreement, as referred to in art. 2.4., or to suspend all deliveries and works and take back the materials delivered. If a credit was granted to the customer, they will be revoked immediately and all invoices will become due and payable immediately.
- 5.2 If Sadef has to address its invoice to another company than the company placing the order, both companies are regarded as customers and are jointly liable for payment of the amount of the invoice and any additional charges, such as interests and penalty clauses.
- 5.3 Unless explicitly otherwise agreed in writing, our invoices are payable in cash at our registered office in Gits.
- 5.4 Any invoice which is not fully paid on its due date yields contractual interests at a rate equaling the interest rate pursuant to the Act of 2 August 2002 on the fight against payment arrears, without a formal notice of default being required.
- In addition to this contractual interest on overdue payment, the customer will also have the obligation to pay a compensation for every, even partially unpaid invoice. The amount of the compensation is fixed at 15 % on the first bracket of 0 to 6,200 euros, at 10 % on the second bracket of 6,200 to 24,800 euros and 5 % on all amounts exceeding 24,800 euros, with a minimum of 125 euros. This compensation covers the costs resulting from the non-payment, such as administrative costs, costs for cash credit, etc.
- In addition to the contractual interests on overdue payment and the contractual compensation, the customer will also have to pay all costs and fees of the lawyer whose services we have to call upon with respect to steps taken to collect our invoices, both in and out of court.
- 5.5 The acceptance of a bill of exchange by our company does not imply a waiver of our terms and conditions.
- 5.6 Any advances paid remain acquired by us.
- 5.7 Unless otherwise agreed in writing, invoicing will be done automatically for goods which have been produced and of which delivery has been deferred for more than 4 months beyond the agreed date of delivery.

**6. WARRANTY**

- 6.1 The customer only enjoys a warranty for hidden defects under the following conditions : timely and full payment of the price and immediate notification by registered letter within 24 hours after the defect was discovered or should reasonably have been discovered.
- 6.2 Apparent defects are covered by the acceptance of the goods at the moment of delivery, pursuant to article 3.1, and only qualify for indemnification if the customer mentions them immediately upon delivery or if the necessary statements have been made on the transport documents.
- 6.3 The warranty is in any case limited to the replacement of the defective parts, free of charge, or to the reimbursement of the price, at our discretion, and is only valid within the first six months after the delivery. We decline all responsibility for consequential damage. We are not responsible for defects resulting from an improper use of the goods by the customers or by third parties.
- 6.4 In case of delivery of goods that do not correspond to the goods that were ordered, these goods will again become the property of Sadef and the buyer will have to store them in such a manner that they will remain in good condition, and await the instruction of Sadef for further settlement.

**7. APPLICABLE LAW AND JURISDICTION**

- 7.1 All our contracts, deliveries and works are governed by Belgian law only; all disputes fall within the exclusive jurisdiction of the courts of the district of Kortrijk.
- 7.2 The parties explicitly agree that our company has the right to have disputes settled by arbitration. In this case, we are entitled to call upon the arbitration tribunal of our choice.