

LHOIST NORTH AMERICA

STANDARDS TERMS OF PURCHASE

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1. Formation and Content of the Contract.

- 1.1 These Standard Terms of Purchase ("Standard Terms") apply to all purchases and orders, except for express derogations contained in any order, of Lhoist North America, Inc., a Nevada corporation, including any subsidiaries or affiliated entities of Lhoist North America, Inc. ("Lhoist NA"). The mere fact that it transacts business with Lhoist NA implies the seller's acceptance of these Standard Terms of Purchase and the waiver of its own standard terms, which, regardless of the circumstances, shall not bind Lhoist NA, including any payment, default interest and penalty clauses. The seller irrevocably accepts said order, either by a return document signed for agreement, or by the commencement of the filling of the order.
- 1.2 Unless otherwise indicated by Lhoist NA in the order's specific conditions, these standard terms of purchase shall prevail over the seller's standard terms of sale, regardless of the circumstances.

2. Inspections.

- 2.1 Lhoist NA and any person authorized by it shall be entitled to carry out reviews and inspections on the products and services on the premises of the seller and/or its subcontractors, during normal business hours.
- 2.2 Inspections carried out in accordance with this article shall not release the seller from its responsibility and shall not be deemed as acceptance of the products and services.

3. Amendments.

- 3.1 Seller shall notify Lhoist NA in advance in writing of all changes in raw materials or their source, formulation, manufacturing location, manufacturing methods or processes, packaging, shelf life or other changes to any goods delivered under the order which could affect their quality or performance. Such changes must be agreed upon in writing by Lhoist NA.
- 3.2 Any amendment to the contract requested by Lhoist NA or proposed by the seller shall only bind the parties if Lhoist NA confirms it by an amendment to the order.

4. Deliveries.

- 4.1 Under sanction of rejection, any delivery must be accompanied by a delivery slip, numbered and dated and mentioning the precise number of our order, and the quantity and the references of the parts or products in question.
- 4.2 For the delivery date, the date of the end of the work or services or, in the case of services rendered at regular intervals, for the term of the contract, reference shall be made to the order's information. The seller shall hand over the manufacturing and delivery schedules that Lhoist NA is normally entitled to request of it. If the contract provides that the products will be tested after they are delivered to Lhoist NA, acceptance shall only be deemed final once Lhoist NA is fully satisfied with these tests. The seller shall inform Lhoist NA if the delivery of the product or the rendering of the service could potentially be delayed beyond the contractually stipulated date.
- 4.3 If the contractual time limits are not kept or if other delivery procedures are not complied with, the seller shall be bound to pay the delay penalties described in the specific conditions of the order and/or to repair the loss sustained.
- 4.4 In addition, any delay shall entitle Lhoist NA to unilaterally terminate all or part of the contract, in accordance with the provisions of Article 15 below.

5. Transfer of Ownership and Risks.

- 5.1 Ownership of the products and risks related to the products delivered are transferred pursuant to the terms specified in the order.
- 5.2 Any reservation of title clause not expressly accepted by Lhoist NA in accordance with the order's specific conditions is deemed unwritten.

6. Price and Payment.

- 6.1 If Lhoist NA has not issued any amendment altering the subject of the order, the specifications, quantity or the delivery, the prices indicated in the order will be firm and final for the term of the contract.
- 6.2 Unless otherwise indicated in the order, the contract price includes all delivery costs to the site mentioned in the order.
- 6.3 Unless specifically provided for in the order, invoices must only be issued after all services covered by the order have been completed. Seller shall submit invoices by electronic mail to LNA.AP@Lhoist.com. Only in the event that Seller is unable to submit invoices electronically will invoices be accepted at the following address: Lhoist North America, Inc. P.O. Box 985004, Fort Worth, Texas 76185-5004 Attention: Accounts Payable.
- 6.4 All payments due Seller hereunder shall be made to Seller at the location indicated on the invoice. All undisputed invoices shall be payable net 45 days from Lhoist NA's receipt of such invoice.

7. Conformity.

- 7.1 As the seller delivers its supplies and/or renders its services under its sole and complete responsibility, it warrants to Lhoist NA that the products and services must conform to the contractual requirements and be suitable for their intended use. They must satisfy the customary quality criteria, as well as industry standards in effect.
- 7.2 Seller represents warrants and covenants that in performing its obligation under the order, seller will comply with all applicable laws, rules, regulations and ordinances. All goods must be clearly labelled and marked by seller to comply with applicable laws and regulations.
- 7.3 The products will be delivered fully complete, with all of the instructions, recommendations and other information needed in order to be used correctly and safely.
- 7.4 Those products or services that do not satisfy all of the above requirements shall be deemed non-conforming.

8. Warranty.

- 8.1 Unless otherwise stipulated in the order, Lhoist NA may reject the supply within 60 days following the delivery if the product or the service has a defect. Rejected products will be quickly removed by the seller, at seller's sole expense. If products are rejected, Lhoist NA shall be entitled to demand that the seller replaces the supply within the time frame that will be given to it or unilaterally terminate the contract, without prejudice to the rights and remedies it otherwise holds.
- 8.2 Seller warrants that the materials covered by the contract are new and are according to specifications, are of the necessary quality and workmanship, are fit for the intended use, and were manufactured in conformity with and comply with all applicable Federal, State or Provincial and local laws, including the requirements of the Fair Labor Standards Act of 1938, as amended. Seller further warrants that the materials are and shall be free and clear of infringement of any valid patent. Seller shall indemnify and save Lhoist NA harmless from any expense, loss or damage whether suffered by it or third parties, by reason of breach of any warranty express or implied, or by reason of actual or alleged patent infringement based upon the use of any or all of the materials purchased.
- 8.3 Notwithstanding any legal warranty, and unless otherwise stipulated in the order's specific conditions, the seller is bound to warranty its supply during a term of two years from receipt or commissioning. It covenants to correct defects by repairing or replacing defective merchandise, as quickly as possible; it shall bear all expenses, including, assembly, re-assembly and transport expenses. Any replaced part shall be covered by a new warranty of at least 12 months.
- 8.4 In the event that the seller is unable to fill the order properly, Lhoist NA reserves the right to have others perform the necessary work at the seller's expense, without prejudice to the application of the termination clause and the seller's obligation to indemnify Lhoist NA for any direct or indirect loss.
- 8.5 After the seller's warranty period, the seller shall continue to be responsible under conditions set by applicable law.

9. **Termination for Convenience.** In addition to any other rights granted to it herein, Lhoist NA may terminate this contract, in whole or in part, at any time for its convenience by giving seller no less than fifteen (15) days advance written notice. Upon receipt of such notice, seller will stop work immediately and promptly terminate all orders and subcontracts as the relate to this contract. Any claim for termination charges must be submitted to Lhoist NA in writing within ten (10) days after receipt of the termination notice. Seller's claim may include: (i) the cost of unique work in process, and (ii) the cost of paying claims to seller's suppliers for work directly allocable to goods terminated. Lhoist NA will not be responsible for any commitments made by seller in advance of those necessary to comply with the schedules set forth in this contract. Upon payment of seller's claim, Lhoist NA will be entitled to all goods, material and work in process paid for.

10. Management and safety of outside personnel.

- 10.1 The work carried out by the seller's personnel on Lhoist NA sites shall be performed under the management and monitoring of the seller's supervisors, with its own equipment and in accordance with the seller, with its own equipment and in accordance with the seller, with its own equipment and in accordance with the safety rules applicable to said activity on these sites.

- 10.2 The seller acknowledges having been informed by Lhoist NA of the specific risks that may result from the site's activity during the performance of the work and of its obligation, on the one hand, to ensure, by all appropriate means, the safety of the personnel for whom it is responsible during its presence on the site, and, on the other, to see to it that said personnel complies with the safety rules in force on the site, pursuant to the rules and procedures and memoranda communicated to it. It is seller's responsibility to submit these documents to the personnel for whom it is responsible.

11. Circulation of vehicles on our sites.

Any supplier or carrier performing work for any reason whatsoever must follow the site's rules and driving code rules. Failure to follow these rules will lead to removal from or even a prohibition on gaining access to our sites.

12. Intellectual Property.

- 12.1 All of the models, plans, specifications and other elements of information provided by Lhoist NA within the scope of the contract shall remain at all times the property of Lhoist NA and may only be used by the seller to perform the contract. The seller shall maintain the confidentiality of the documents and other elements of information and return these to Lhoist NA upon request.
- 12.2 The seller shall not make offers and shall not provide third parties with parts made with Lhoist NA's tools and equipment or based on models, plans, specifications or conceptual data of Lhoist NA, without prior written consent.

13. Force Majeure.

Neither party will be considered in default of this contract (except for the obligation to make any payment when due), to the extent that any such breach results from, or is made impracticable by, any cause beyond its reasonable control, such as acts of God, war, fires, explosions, natural disasters, sabotage, critical equipment failure, and governmental laws and regulations (a "Force Majeure Event").

The part whose performance is affected by a Force Majeure event shall (i) give prompt notice to the other party stating the details and the full particulars in connection therewith and the expected duration of the event and (ii) shall take commercially reasonable steps to resume performance promptly. If the Force Majeure Event Continues for more than ninety (90) days, the party not affected shall have the option to terminate the agreement upon notice to the other party.

The party whose performance is affected by the Force Majeure Event shall have the right to omit during the duration of the Force Majeure Event all or any portion of the quantity of product deliverable during such period for the affected facility whereupon the total quantity of product deliverable hereunder shall be reduced by the quantity so omitted. If, due to any such Force Majeure Event, seller is unable to supply the total demands for product specified hereunder, seller shall allocate its available supply among its internal and external customers in a fair and equitable manner.

14. Civil liability and damage to property.

- 14.1 As the seller renders its services under its full and complete responsibility, it shall be bound to indemnify Lhoist NA, either during or after the contract's performance, for all damages and/or losses, whether direct and/or indirect, sustained by Lhoist NA and resulting from its act or fault and/or that of its employees, agents or sub-contractors.
- 14.2 The seller shall take out and keep in effect an insurance policy covering its civil liability and its product liability pursuant to this clause and must be able to provide proof thereof, at any time, if requested by Lhoist NA.

15. Termination of the contract.

- 15.1 Lhoist NA may terminate the contract automatically without prejudice to the exercise of its other rights and without incurring any liability, if the seller fails to perform its commitments provided for in the contract. Termination shall become effective upon seller's failure to cure its default after three (3) days have expired from the delivery of a notice sent to the seller by registered mail, return receipt detailing seller's failure to perform its commitment.
- 15.2 Lhoist NA shall also be entitled to terminate the contract should of the following occur:
- 15.2.1 The filing of bankruptcy by or against the seller, whether voluntary or involuntary, initiation of receivership proceedings against the seller, death, dissolution of the seller, or cessation of payments by the seller.
- 15.3 Lhoist NA may terminate the contract if there is a corresponding contract between Lhoist NA and the final user and if this contract is terminated. In this case, Lhoist NA shall indemnify the seller, provided that the latter has performed its contractual obligations, for all of the costs legitimately incurred in performing the contract until its termination and that the seller has no means of recovering. It is understood that the seller shall be obligated to take all necessary measures to minimize its losses and must provide appropriate proof thereof. Under no circumstances will the indemnification exceed the amount of the contract.

16. Assignment.

The seller shall not assign or sub-contract the contract as a whole. The seller may only assign or sub-contract parts of the work with the prior written consent of Lhoist NA, which may not be unreasonably withheld. The seller is responsible for all of the services rendered and the supplies delivered by all of its sub-contractors.

17. Confidentiality.

Seller agrees to keep confidential and not to disclose to any third party, without the written consent of Lhoist NA, any technical or business information or research plans or activities relating to Lhoist NA made available to seller by Lhoist NA or otherwise learned or developed by seller relating to the goods or services covered by the order, specifically including the existence and contents of the order and the identity or quantity of the goods or nature and subject matter of the services. Seller further agrees not to use such information except for the purpose of performing the order.

18. Taxes.

Unless otherwise specified, use tax or similar taxes, excises to changes which are not expressly charged, levied or imposed by law (whether Federal, State or Provincial, municipal or other public authority) on Lhoist NA, as a buyer, are deemed to be included in the purchase of prices payable hereunder.

19. Disputes with Third Parties.

If a third-party brings an action against Lhoist NA for the seller's performance of the contract or due to the products supplied and the services rendered pursuant to the contract, the seller shall be obliged, at its expense and if requested by Lhoist NA, to take its side to defend Lhoist NA in the proceedings in question. Any court decision or arbitral award rendered shall be deemed, for any purpose it may serve, as binding on the seller in the event of subsequent action by Lhoist NA to enforce a warranty against the seller.

20. Governing Law.

This contract shall be governed by the laws of the State of Texas.