

GENERAL TERMS AND CONDITIONS OF SALE

1. GENERAL

These general terms and conditions may be subject to further changes as may be described in writing by the parties. In the event of any conflict, between the special conditions and these general terms and conditions, the special conditions shall prevail. The general conditions of sale shall prevail over the purchase conditions of the buyer.

2. ESTABLISHMENT OF THE CONTRACT

2.1. The contract is only concluded, after that the seller has received a (verbal or written) order and after the written acceptance of the order.

2.2. When the seller set a deadline for his acceptance, the contract will start at the confirmation of the acceptance by the buyer before the expiry date of this period. The contract will however not be established when the seller received this confirmation more than five days too late.

2.3. Any amendment is only accepted after a written confirmation by the seller, or his legal representatives or vicarious agents.

3. DRAWINGS AND DESCRIPTIONS

The weights, dimensions, capacities and other details mentioned in any catalogue, prospectus, circular, advertisement, picture or price list have the nature of an approximate indication. These drawings and prescriptions are compulsory, only in case the contract refers explicitly to these details.

4. TRANSPORT AND PACKAGING

Unless otherwise stipulated, prices are quoted in bulk, ex works and excluding related costs.

Packaging will be charged separately.

5. TRANSFER OF RISK

5.1 The goods are sold and finally approved in the factories of the seller, even if they have to be sent freight paid, following the Incoterms (version 2000) EX WORKS (EXW).

5.2 The goods will travel at the buyer's own risk.

6. RETENTION OF TITLE

6.1 Without prejudice to the provisions of Section 5, ownership of the goods sold will only be transferred to the buyer once payment in full has been received.

6.2 The buyer is not allowed to sell or hand over the goods to a third party, as long as the goods remain the property of the seller. Failing to comply with this prohibition, the buyer is due to pay a fixed fee of 25% of the selling price (beyond the selling price and any interest for delay).

7. DELIVERY

7.1 Unless otherwise stipulated, delivery time starts to run from the date of the establishment of the contract, as defined in Section 2.

7.2 Unless otherwise stipulated, delivery dates specified in the contract are only informative and are not binding for the seller and cannot give cause for compensation. Delays do not justify the dissolution of the contract by the buyer.

7.3 If the seller makes the goods available to the buyer, and the buyer does not pick them up, the buyer is not allowed to postpone the due date on the invoice that he will receive for his delivery. The seller provides in storing the goods at the buyer's expense and risk.

8. TERMS OF PAYMENT

8.1. Payments will be made in euro, net and without any deduction. The goods have to be paid at the seller's head office.

8.2. Prices are based on actual prices of raw materials, salaries and social security contributions at the time of the establishment of the contract.

Unless otherwise stipulated, the seller can adjust prices, if he can prove that at least one of the above mentioned criteria has changed between the establishment of the contract and the actual time.

8.3. Unless otherwise stipulated, payment is to be made within 30 days from the day following (the late payment of commercial debts (interest) act 02 august '02 applies to this invoice).

- the receipt of the invoice by the debtor, or

- the receipt of the goods, if the date of the receipt of the invoice is uncertain, or if the debtor receives the invoice before the goods.

8.4. From the time the payment is claimable, the buyer shall be legally (and without warning) required to pay interest at the rate of 10% per year of the overdue amount.

Every invoice which is not paid as agreed will be automatically increased without warning and rightfully with 10% with a minimum of € 250 and a maximum of € 2500, on account of fixed and undiminished penalty cause. This interest does not allow to postpone payment.

8.5. All payments, and (future) costs of whatever nature, shall be at the buyer's expense.

8.6. Unless written and prior agreement of the seller, the buyer cannot require any compensation for assumed rights and claims. On the other hand, the seller is allowed to invoke compensation.

9. FINANCIAL GUARANTEES

The seller may not be satisfied, for whatever reason, that the buyer is sufficiently creditworthy. Any deterioration of the buyer credit may justify the request of guarantees which the seller assumes necessary, even after partial shipment. The seller will be able to cancel the contract, without prejudice to other liabilities.

10. RESOLUTIVE CONDITION

If the buyer is unable to pay for the delivered goods, or if he does not meet his obligations, the contract shall automatically be terminated, legally and without notice, for all parts, or for the part that still has to be done, by a simple notification sent by registered letter from the seller to the buyer, at least eight days after the demand to fulfil his obligations.

In addition to the payment of the goods that had already been delivered, the buyer shall be required to pay a compensation of 30% of the purchase price, notwithstanding the right of the seller to prove that his costs are higher.

11. WARRANTY

11.1 As for errors regarding to quantity or weight of the delivered goods, and as for all other visible damages, the seller will no longer be responsible, once the goods have been accepted, in accordance with Section 5.1. All complaints regarding to visible damages must be formulated within 5 days by registered letter by the purchaser/installer, delivery has to be accepted with reservations on the delivery note for as far as the defect could be determined at the time of delivery.

11.2 Within the limits specified by the next stipulations, the seller shall be required to repair all latent defects in accordance with the provisions of the Civil Code and described in 11.4 and which relieves the seller of any consequential damage. Damage other than consequential damage will have to be demonstrated by an independent expert .

11.3 This contract is only applicable on damages discovered within two months after putting into service.

This putting into service is supposed to take place (at last) thirty days after receipt of the goods, if the delivery takes place in Belgium.

If the goods are delivered abroad, this term will be 45 days after receipt of the goods.

11.4 Our responsibility for defects due to faulty manufacture is limited to the repair or replacement of defective parts and to the delivery of new parts in the shortest possible time. Defective parts have to be sent to Avasco Industries N.V.

12 ASSEMBLY

12.1 The assembly is not part of the contract between buyer and seller.

12.2 The goods must be constructed according the instruction manual. Avasco cannot be held liable for incorrect installation, both in concept and in terms of the performance, that is the responsibility of the buyer/installer.

12.3. The buyer/installer must inform Avasco about any fault on the delivered goods, by registered

letter, within 5 days after the installation; this communication will contain a detailed report of all so-called faults so that Avasco can intervene immediately in accordance with the warranties in accordance with section 11. If Avasco does not receive a report in that sense, it assumes that the buyer/installer received the goods without any default.

13. REASONS FOR EXEMPTION

Any delay due to force majeure entitles the seller to either dissolve the contract, or to postpone the delivery times for a period that corresponds with the duration of the force majeure, and this without any compensation. As a case of force majeure shall be understood any event, causing important changes to the general operating conditions of the seller's company, including, without limitation: war, hostilities, revolution, strikes, lockout, political and social disturbances, fire cancellation or absence of transport services. The seller will, if he deems it to be necessary, inform the buyer at the proper time about the occurrence of the above events.

14. COMPETENCE

14.1 The contract is subject to Belgian law, unless agreed otherwise by parties in a prior written agreement.

14.2 The stipulations of the treaty on "the international sale of moveable property" are not applicable to this agreement.

15. JURISDICTION

Any dispute of whatsoever kind shall fall to the jurisdiction of the Court of Veurne, unless stipulated otherwise in the contract.