

Terms of Sale

1°/ Specifications, use of our products and liability of SDS

The Products – power supplies, converters, control and measurement systems supplied by Systems Development & Solutions (SDS) are chosen by the Client from SDS standard products or are made according to the Client's specifications. In either case, the Client alone shall be responsible for assessing the values and performance criteria required for the proper operation of the equipment and the applications for which the Product is destined.

As a professional user, the Client or the entity to which it entrusts or resells the Product must take all requisite measures to ensure that the Product is installed, commissioned and used under conditions which ensure the safety of both persons and property.

Under no circumstances shall SDS be held to be liable for any consequences, whether direct, consecutive or indirect, tangible or intangible, arising out of the non-functioning or non-compliant functioning of the Product. The same shall apply to the studies and surveys carried out by SDS on its own premises or on the Client's premises.

Furthermore, any use of the Product in a medical device that might endanger people's lives is expressly prohibited by SDS

2°/ Environment, safety and protection of public health

SDS products do not fall under any of the categories of products covered by the RoHS and DEEE directives.

Consequently, SDS is not subject by regulation under the RoHS directive. Should the products of SDS be incorporated as sub-assemblies in a piece of equipment falling within the scope of application of the RoHS, the Client integrating the products shall be responsible for requiring compliance with the RoHS directive. However, as an environmentally conscious firm, SDS retains the right to ensure electronic production that is compliant with the main provisions of the RoHS directive to the extent that such compliance is technically and economically feasible. When SDS proposes the sale of a product fully compliant with the RoHS directive, it shall bring this



information to the knowledge of its clients.

The Client shall be solely and exclusively responsible for financing the collection, processing, recycling and non-pollutant elimination of the products of SDS that have been incorporated into other items of equipment. Similarly, SDS shall in no way be directly liable with respect to the setting up of a system of collection and recycling of its Products known as “finished” Products inasmuch as these are beyond the scope of the DEEE directive. However as an environmentally conscious firm, SDS retains the right to ensure that electronic design and production is carried out so as to facilitate the dismantling and the recycling of its products to the extent that as this is technically and economically feasible.

The cost engendered by the implementation and application of the RoHS and DEEE regulations shall be incorporated in the price of the products.

3°/ Orders – deliveries – precautions to be taken upon reception of the Products

Any information on delivery lead times provided to the Client by SDS prior to the Client's placing an order shall be purely indicative. SDS shall not be bound by the lead times specified by the Client on its order. Should it not be possible to abide by a lead time, SDS shall notify the Client and shall agree with the Client on another effective delivery date.

Delays in delivery, if any, shall not entitle the Client to cancel the sale or refuse to take delivery of the Products. Nor shall they result in any discounts, penalties or damages. Sales in mainland France are "ex-works sales". Transportation costs shall be charged extra.

It will be up to the Client to check the state of the packaging and of the Products in the presence of the carrier, to set out in writing, on the delivery document provided by the latter for signature, a detailed statement of reservations if any warranted by the state of the packaging and/or of the Products, and to reiterate these reservations in a letter sent to the carrier by registered post with acknowledgement of receipt within three working days of receiving the Products. Failing these steps, the Client shall in no way be entitled to claim any redress for damage suffered by the Products during transportation and secure compensation, free replacement or a deferral of payment

for the same.

Deliveries to Clients outside mainland France come under the Incoterm EXWORK (Ex-works SDS - 5, bd de Créteil - 94100 Saint-Maur des Fossés - France).

4°/ Force majeure

In the event of circumstances of *force majeure* rendering SDS unable to deliver the Products to the Client (such as a case of default towards SDS on the part of a component manufacturer that is SDS's sole source), SDS's contractual obligations towards the Client shall be suspended.

SDS hereby pledges to notify the Client of the occurrence of an event of *force majeure* and of its estimated duration as soon as it occurs and to examine jointly with the Client any measures to limit the negative effects of this situation for both parties.

5°/ Prices – invoicing – payment

The prices of the Products shall be established by SDS as follows: on the basis of the applicable price lists for its range of standard Products and on the basis of the Client's specifications for a bespoke Product. SDS shall invoice the Client for the Products upon their dispatch to the Client or in the case of studies/surveys, upon reception of the results thereof.

The costs of transportation as well the costs of transportation insurance, if any, taken out by on behalf of the Client shall be calculated on the basis of the prices invoiced to SDS by the carrier in charge of dispatching the S.D. S. Products. The price retained shall be the ex-VAT price invoiced to SDS by the carrier, to which SDS shall add VAT at the prevailing rate.

The payment time limit shall be a maximum period of 60 days net from the date of delivery/invoicing or a maximum period of 45 days from the last day of the month of the date of delivery/invoicing which shall be the date on the packing slip. No discount shall be granted for early payment.

Every first order shall be paid for by cash on delivery or against a proforma invoice prior to the dispatch of the equipment or upon reception of the results of studies and/or surveys.

In accordance with the law, any payment beyond the due date shall entail a penalty calculated on the basis of the Legal Rate, plus 50%.

No reduction in price (discounts, rebates or refunds) shall be granted under the present general terms of sale. Such price reductions could however be made within the framework of particular terms of sale (PTS).

6°/ Retention of property

Sales are concluded with retention of property, and the transfer of property takes place only after full payment of the price (Law 80.335 of 10th May 1980). Acceptance of delivery and of the documents pertaining to this delivery amount to acceptance of the present clause. Payment of the price is understood to mean actual encashment in the SDS bank account.

The Client is the caretaker of the goods sold under retention of property and bears the risks pertaining thereto. It shall therefore be required to store the goods under conditions of compliance and separately in order to identify them to the benefit of SDS in the case of claims (Law 80.335 of 12 May 1980), insure them and meet every responsibility as of their reception.

The Client is permitted, within the framework of the normal running of its establishment, to resell delivered goods. The Client undertakes to inform its own clients that the resold goods are subject to a clause of property retention to the benefit of SDS. In the event of a payment incident, this authorization of resale shall be lapse as of right. When the goods are located, either wholly or in part, at the Client's premises, they shall be returned to the SDS at first request and at the Client's expense and risk.

Should the goods have been resold, the Client shall be deemed to have ceded to SDS all claims resulting from the resales made. To this end, the Client shall, at first request, communicate the names and addresses of third parties to which it has sold the goods.

7°/ Confidentiality

The studies and development work carried out by SDS to design and finalize standard products or meet its Clients' specifications shall remain its exclusive property. The Client hereby pledges to

refrain from disclosing to third parties any drawings and lists of parts and equipment that it may secure from SDS for purposes of documentation and to refrain from using the same to reproduce SDS's Products, whether or not they are protected by Patents or have been licensed. The Client also pledges to refrain from disassembling these products in order to attempt to ascertain their mode of operation in order to reproduce them or develop products having functions identical or similar to those of SDS products. In particular, any operation of reverse engineering or decompilation is expressly prohibited by SDS. Any infringement of these obligations shall automatically result in the application of the Client's liability, without prejudice to SDS's right to obtain cessation of said infringement by every means and seek compensation for all damages suffered, and to do so without any warning other than the simple observation of infringement or non-compliance.

8°/ Claims

The purchaser shall, within a period of 30 days following the reception of the products, issue reservations if any on the quality, performance and compliance with specifications and shall, if these reservations are grounded, obtain compensation. In this case, the costs arising out of these claims shall be borne by the seller.

9a°/Warranty

The Products shall be guaranteed, for a period of 12 months as of the date of their first dispatch to the Client, against defects of manufacturing or faults detected in the components used within the framework of this manufacturing. The Client shall bear the cost of returning any faulty Products under warranty to SDS's workshops and SDS shall bear the cost of returning them to the Client if the defect is effectively detected and if the guarantee is applicable. The Client pledges to abide by the stated duration of the warranty. The Client is bound to comply with the time limit of one year for the implementation of the warranty.

The warrant expressly excludes any Products that are damaged, misused, modified or repaired by

the Client or by any third party without SDS's express prior authorization, the function of which has been impaired following to a faulty connection of the Products or of the equipment into which they are incorporated.

The scope of this warranty shall be limited to repairing, replacing or reimbursement of the cost the defective Product, at SDS's discretion. It shall not cover the provision of any compensation whatsoever. SDS shall in no way be held to be liable for any consequences whether direct or indirect, tangible or intangible, arising out of the non-functioning or non-compliant functioning of the Product.

SDS reserves the right to modify or to technically enhance its Products as and when it chooses to without being required to inform its Clients thereof.

With the exception of the warranty mentioned in paragraph 1 of the present article, the Products furnished by SDS are delivered "as is" and without any further warranty of any kind on the part of SDS, especially as regards the matching of functions to the Client's needs and requirements, the absence of error, the correction of defects, bugs etc.

9b°/Liability

SDS shall not be held to be liable for damages of any kind, both tangible and intangible damages as well as bodily harm, that might result from malfunctioning or misuse of the Products.

9c°/Intellectual/industrial property rights

The intellectual and/or industrial property rights covering the Products that can be made available to the Client remain the entire property of SDS. Consequently, authorizations that may be granted by SDS in no way constitute any cession of industrial and/or intellectual property rights made available to the Client.

The Client shall refrain from copying, reproducing, representing, adapting, modifying, decompiling, disassembling the Products in any way whatsoever, including in a private, non-commercial or

experimental context.

10°/ Return of equipment

No equipment may be returned unless and until the client has requested authorization thereof from SDS which shall state its agreement by the issuance of an equipment return number. This number shall obligatorily be borne on the documents attached to the equipment being returned.

11°/Disputes

The relationship between S.S. and its Clients shall be governed by French law. Should any dispute arise in connection with an order placed by a Client with SDS and should the parties be unable to resolve it amicably, the dispute shall be referred to the courts of the territory in which SDS is situated..

12°/Applicable Law

The law applicable to these General Terms of Sale shall be French law.

13°/Acceptance by the Client of SDS's General Terms of Sale

The dispatch by SDS of these General Terms of Sale to the Client shall be deemed to constitute acceptance of these terms barring a contrary position taken by the Client and notified to SDS in the stipulated manner, in which case SDS shall draft, jointly with the Client, Particular Conditions of Sale which shall complement and/or amend the present General Terms of Sale.