

GENERAL TERMS OF SALES

FAIVRE General Terms of Sale Applicable as from 1 January 2012

1 General provisions

These general terms and conditions apply to all the contracts entered into by the FAIVRE company (hereinafter FAIVRE) concerning the Products manufactured by FAIVRE (hereinafter the Products).

They supersede all earlier general terms and conditions.

Unless agreed otherwise, the placing of an order shall imply unreserved acceptance of these general terms and conditions, regardless of any provisions to the contrary that may be contained in any document emanating from the Customer.

The specific stipulations contained in the FAIVRE offer shall prevail over these general terms and conditions.

The fact that FAIVRE does not enforce any one of the clauses in the general terms and conditions may not be construed as waiving the right to enforce any of the conditions in the future.

The recognition of the invalidity of one clause shall not affect the validity of the other provisions.

2 Contract documents

The following form an integral part of the contract: these general terms and conditions, the Customer's technical data transmitted on any medium, the quotation, the Plans issued by FAIVRE, the customer's order, the order acknowledgment, the despatch advice, the delivery note, the invoice.

The following shall not be considered as contractual: information contained in brochures, catalogues and other advertising documents.

3 Agreement on evidence

All the written documents exchanged between the parties may take the form of electronic documents. In the event of any contradiction between an electronic document and a paper document, the latter shall prevail.

4 Quotations

Any specific order from a Customer will give rise to the issuing of a quotation.

Quotations are valid for 30 days from the date of their issue.

Quotations are drawn up in consideration of the specifications provided by the Customer.

The Customer is bound by all the specifications transmitted by it.

5 Orders

All orders must be sent in writing, by fax or e-mail.

By placing an order, the Customer is deemed to have accepted the quotation and these conditions of sale.

The Customer's order must contain the reference of the quotation and of the Plans and the quantity of Products required.

An order is only deemed accepted by FAIVRE after the latter has issued an order acknowledgment.

Unless agreed otherwise, the Plans must be returned signed by the Customer.

6 Modification – Suspension – Cancellation of orders

Any modification, suspension or cancellation of an order must be submitted before the Products go into production by any written means and will only be deemed accepted after written confirmation by FAIVRE.

It may lead to renegotiation of the conditions.

A Customer which cancels all or part of its order, which modifies its conditions, without our being responsible in any way, shall be obliged to compensate us for all the expenses incurred on the date of receipt of the notice of cancellation or modification from the Customer, without prejudice to any damages or FAIVRE's right to invoice a flat rate administration charge.

If an order is cancelled, the deposit paid shall be retained by FAIVRE.

7 Studies - Plans

All plans, studies, descriptions and technical documents given to the Customer are provided solely for the purposes of evaluation and discussion of the quotation.

Plans and studies are free if they are followed by an order. If no order is placed, FAIVRE reserves the right to demand financial compensation for their preparation.

They may not be used by the Customer for any other purpose.

FAIVRE retains material ownership and intellectual property rights over the plans and studies.

They may not be disclosed to any third parties or give rise to any execution without written permission. These documents must be returned at FAIVRE's first request.

8 Intended use of the Products

It is the responsibility of the Customer to choose Products corresponding to its technical requirements, and if necessary, to check with FAIVRE that the Products are appropriate to the application envisaged.

The Customer shall inform the final purchaser of the conditions of use of the Products.

In particular, the Customer is responsible for the choosing a coating for the Products appropriate to the intended use (salt water, fresh water), for providing FAIVRE with the service voltage and any other relevant information.

The cost of any error or modification will be payable by the Customer.

The Customer is responsible for the installation of the Products in the normal foreseeable conditions of use and in compliance with the health and safety and environmental regulations in force in the place of installation.

9 Installation of Products

FAIVRE takes care of the installation of the Products when this is provided for in the quotation.

The Customer is responsible for the connection of the Products to its electrical installation as well as for ensuring its electrical installation is compatible with the Products.

10 Delivery

10.1 Conditions of delivery

For deliveries in France, in accordance with the quotation, delivery shall take the form either of the direct handing over of the products to the Customer, or of a simple notice of availability for collection, or of the delivery to the address specified by the Customer in its order, unloading being the responsibility of the Customer.

For deliveries abroad, the delivery will be made in accordance with the Incoterm (CCI 2010 version) specified in the quotation.

In any case, the delivery shall only be made if the Customer is up to date with all its obligations towards FAIVRE, whatever the products or delivery concerned, in particular concerning the payment of the deposit and the supply to FAIVRE of all the documents necessary to the execution of the order.

10.2 Manufacturing lead times

The manufacturing lead times indicated to the Customer are given for guidance only.

Transport is not included in this lead time.

Any modification of the order during its execution may lead to an extension of the manufacturing lead time.

Manufacturing lead times depend on production capacity.

The period announced only begins after the latter of the two following dates:

- date of payment of the deposit by the customer,

or

- date of the supply of the necessary parts,

or

- date of return of the plans signed by the Customer.

Compliance with the manufacturing date is appreciated in relation to the start date of the Products excluding the time necessary for transport.

On no account may a delay justify the cancellation, modification or postponement of

the order or any other orders already confirmed, nor give rise to any penalties or damages whatever.

The delivery will only be made on the condition that the Products have been paid for where the terms of payment provide for payment before shipping.

11 Transfer of risks

Unless provided otherwise, the Customer shall take over as from delivery the risks of loss or damage to the Products as well as liability for any damage they might cause without prejudice to FAIVRE's right to invoke the benefit of the retention of title clause or to exercise its right of retention and this, even in cases of force majeure, fortuitous events or action of a third party.

12 Transport – Receipt – Condition of the Products

It is the Customer's responsibility to check consignments upon arrival and to make any observations necessary on the delivery note or carrier's receipt in the conditions of Article L.133-3 of the French Commercial Code, which requires notification of the carrier by extra-judicial instrument or by registered letter of the reserves giving reasons within three days of receipt.

The Customer shall inform FAIVRE of its reserves within 48 hours of receipt.

The Customer undertakes to retain the supposedly defective Products for a possible expert examination by both parties.

Without prejudice to the measures to be taken regarding carriers, the Customer undertakes to check the products on receipt for conformity, absence of visible defects, condition of the products and quantities.

The costs and risks relating to these checks shall be borne by the Customer.

If no reserves are formulated in writing within a period of fifteen days of receipt, the Products will be considered as finally and unreservedly accepted.

It is the responsibility of the Customer to provide any justification regarding the reality of the defects or anomalies.

13 Complaints – Returns

Whether it concerns a visible defect or a latent defect, any complaint must, to be taken into consideration, mention the references of the corresponding order and delivery notes.

It is the responsibility of the Customer to provide proof of the reality of the non-conformities or defects observed, and the cost of any checks made directly by the Customer shall be borne by the latter.

FAIVRE reserves the right to carry out, directly or through any intermediary it chooses, any ascertainment, verification and examination of allegedly defective products.

Any return of Products must have the prior written agreement of FAIVRE.

Any Product that FAIVRE agrees to take back shall remain under the Customer's responsibility until it is received by FAIVRE.

14 Warranty – Liability

FAIVRE guarantees, to the exclusion of any other warranty, that the Products comply with the order accepted and the stipulations contained in the order acknowledgment.

FAIVRE's warranty shall not apply in cases of force majeure.

FAIVRE shall not be held liable for any loss or damage resulting from information or data emanating from the Customer, for any damage or accidents attributable to the Customer, for any modifications made to the Products, for incorrect installation, abnormal use or non-compliant with the intended use of the products or the elementary safety rules, improper use or use contrary to the indications or recommendations of FAIVRE, use of products with a visible defect, lack of or poor maintenance of the Products.

Any intervention by a third party on the Products shall be excluded from the warranty.

FAIVRE does not on any account guarantee the industrial, commercial or economic results of the Products and/or their use.

In the event of the proven non-conformity of the products, the warranty shall be limited,

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at FAIVRE's discretion, to the replacement or repair of the products, and shall exclude the payment of any compensation to the Customer, the products replaced remaining the property of FAIVRE.

14.1 Limits and disclaimers of liability
FAIVRE's liability shall be strictly limited to any direct and material damage caused to the Customer resulting from FAIVRE's failure to fulfil the contract or fault. FAIVRE shall not be liable for the compensation of non-material and/or consequential damage such as: business interruption, loss of profit, loss of opportunity, shutdown, market injury, loss of earnings, damage to reputation.

FAIVRE shall not be held liable for any actionable consequences of faults committed by the Customer or by third parties in relation to the performance of the contract. FAIVRE's liability, with the exception of bodily injury and gross negligence, shall be limited to the amount invoiced and paid in return for the supply of the Products recognised as defective.

The Customer warrants that its insurers and any third parties in contractual relationships with it shall not bring any claims against FAIVRE or its insurers in excess of the limits and exclusions set out above.

15 Prices

Unless stipulated otherwise, our prices are given in Euros and are quoted ex works or FCA (Incoterm 2010), exclusive of insurance costs, taxes, levies, duties and other charges, which shall always be payable by the Customer.

The pricelist applied is that in force on the day of the order and included in the order acknowledgment.

The general pricelist may be modified at any time, subject to one month's notice, to take account in particular on any changes in the prices of raw materials.

16 Terms of payment

16.1 Payment times

Unless agreed otherwise, payments shall include the payment of a deposit of at least 30 % of the total amount of the order, the balance being payable within 30 days of the issuing of the invoice by any means of payment at FAIVRE's head office.

In the case of payment by bill of exchange, the latter must be returned to us duly accepted within 10 days of its issue.

No disputes concerning invoicing, delivery or any complaint shall lead to the suspension of the payment of the invoice.

FAIVRE is expressly authorised to set off any sums it may owe the Customer against the sums owed to it.

The Customer shall refrain from automatically deducting from the invoice drawn up by FAIVRE penalties corresponding to the failure to meet a delivery deadline, administrative handling costs or the non-conformity of products without our having had the opportunity to check the accuracy of the corresponding complaints.

16.2 Discounts

Early payment shall give rise to a discount of 2% net of taxes of all the amounts owed.

16.3 Late payment

Any late payment shall give rise to a late payment penalty by applying to the amounts outstanding a rate of interest equal to three times the legal rate in force in France plus any legal costs and other expenses.

Failure to pay shall lead, without any prior formal warning being necessary, to all amounts owing but not yet overdue becoming payable immediately, including for earlier unpaid orders delivered or in the course of delivery.

Failure to pay within 15 days of a formal notice left without remedy, shall lead to:

- the suspension of any open orders placed by the Customer or the group of companies to which it belongs,
- the termination as of right of any order, with retention of deposits already paid,
- the obligation to return the products,
- the retention of the products already manufactured,
- the requirement to pay, by way of damages, a penalty in the form of a lump sum equivalent to 15% of the outstanding

amount.

All these measures shall be applied without prejudice to any other damages, and without FAIVRE's liability being incurred.

17 New customer – Changes to a Customer's situation

In the case of a new customer, an irregular customer, or changes in a Customer's situation, in particular if there are doubts about the Customer's solvency, payment defaults whatever the order concerned, exceeding of the debts guaranteed by the credit insurance, changes to the customer's legal structure, management or shareholders and more generally the occurrence of any circumstance of a nature to aggravate the risk of non-payment, FAIVRE reserves the right, even after the partial execution of an order, to demand without notice, further guarantees, to require payment before delivery or to cancel outstanding orders open in the name of the Customer in question.

Failure to comply with the new terms of payment or provide the guarantees requested may lead to the suspension of the execution of the open order without FAIVRE being able to be held liable in any way.

18 Retention of title clause

FAIVRE RETAINS OWNERSHIP OF THE PRODUCTS UNTIL PRICE HAS BEEN PAID IN FULL, PRINCIPAL, INTEREST AND ANY ANCILLARY EXPENSES INCLUDED.

THE PAYMENT IS CONSIDERED TO HAVE BEEN MADE WHEN THE AMOUNT OF THE PRICE IS EFFECTIVELY RECEIVED.

THE HANDING OVER OF BILLS OF EXCHANGE OR ANY OTHER DOCUMENT CREATING AN OBLIGATION TO PAY SHALL NOT CONSTITUTE PAYMENT.

IF THE CUSTOMER FAILS TO PAY ON ANY OF THE DUE DATES, FAIVRE MAY CLAIM BACK ITS PRODUCTS AND EXERCISE ITS RIGHT OF RETENTION OVER THE PRODUCTS MANUFACTURED.

THE CUSTOMER SHALL, AT ITS OWN EXPENSE AND RISK, RETURN PRODUCTS NOT PAID FOR AFTER FORMAL NOTICE GIVEN BY REGISTERED LETTER WITH ACKNOWLEDGMENT OF RECEIPT.

THE RIGHT OF REPOSSESSION MAY BE EXERCISED WITHOUT DISTINCTION FOR THE AMOUNT OUTSTANDING ON ALL GOODS SOLD AND STILL IN THE CUSTOMER'S POSSESSION.

THE CUSTOMER MUST PROTECT THEIR INDIVIDUAL IDENTIFICATION SO THAT FAIVRE'S OWNERSHIP MAY ALWAYS BE PROVEN.

THE CUSTOMER UNDERTAKES TO ASSIGN, UNTIL PAYMENT OF FAIVRE'S INVOICE, ALL OR PART OF THE CLAIMS IT HOLDS OVER ITS OWN DEBTORS, EVEN IF IT MEANS INFORMING THEM OF THE SUBROGATION OF ITS CLAIMS AGREED BY IT AT THE SIMPLE REQUEST BY FAIVRE, UP TO THE VALUE OF THE PRODUCTS THAT ARE STILL ITS PROPERTY.

THE CUSTOMER SHALL REFRAIN FROM PLEDGING, GIVING AS COLLATERAL OR GRANTING SURETIES ON PRODUCTS THAT HAVE NOT BEEN PAID FOR.

THE CUSTOMER UNDERTAKES TO INSURE THE PRODUCTS AGAINST ALL THE RISKS THAT THEY MAY INCUR OR CAUSE AS SOON AS THEY ARE DELIVERED.

19 Confidentiality

The parties reciprocally undertake to respect a general obligation of confidentiality in respect of any verbal or written information, whatever its form or whatever the medium.

20 Intellectual Property

All the intellectual or industrial property rights, as well as the know-how incorporated in the documents provided, and the Products delivered shall remain the exclusive property of FAIVRE.

Any assignment of intellectual or industrial property rights or know-how must be the subject of an agreement.

21 Time bar agreement

In application of Article 2254 of the Civil Code, any claim against FAIVRE relating to the performance of the contract by FAIVRE will be time barred one year after the day on which Customer knew or should have known about the facts enabling it to exercise its rights.

22 Force majeure

In the case of an event of force majeure, the defaulting party shall inform the other party in writing as soon as the event occurs, of the impossibility for it to fulfil its obligations.

FAIVRE reserves the right to cancel orders, totally or partially or suspend them as of right in the event of the occurrence of a case of force majeure.

The obligations of the Parties shall be suspended until the event in question is over for a period that may not exceed one (1) month, after which the contract will be terminated automatically.

Are considered as force majeure events, non-exhaustively, the following events: shortage of raw materials, total or partial strike at FAIVRE, at the Customer's or carrier's, operational accident, machine breakdown, flood, fire at FAIVRE's, a supplier's or a major party to the contract's premises, embargo, blockage of transport, blockage of public services, natural disasters, flood, bad weather, storm.

23 Applicable law – Language – Settlement of disputes

The general terms and conditions, any order for Products and related disputes whatever their nature, are subject to French law.

In the case of international relations, the Vienna Convention of 11 April 1980 shall not apply.

In the event of any dispute whatever, the parties undertake to meet to attempt to reach an amicable agreement.

The initiative of this amicable agreement shall be taken by the party first acting by sending a registered letter with acknowledgment of receipt.

In the case of a French customer, if no such amicable agreement is reached within one month of this notification, any dispute shall be subject to the exclusive jurisdiction of the Commercial Court of Besançon (25000 FRANCE), even if there is more than one defendant, introduction of third parties or summary proceedings. However, FAIVRE reserves the right to bring proceedings before any other court.

In the case of sales abroad, and if no amicable settlement can be reached, any dispute that arises concerning a sale, its performance or non-performance or the breaking off of relations between the Parties, shall be submitted to arbitration in accordance with the arbitration rules of the Centre de Médiation et d'Arbitrage (Mediation and arbitration centre) in Paris.

If these terms of sale are translated, only the French version shall be binding upon the parties.

Approved by :

Date :

Signature :

Stamp :