

1. General terms

The present general terms and conditions of sale constitute an integral part of any sales agreement concluded with COYARD unless otherwise stipulated in writing by COYARD.

Placing an order with COYARD implies the agreement of the contracting partner with these conditions and the renouncing, on the part of the contracting partner, his own general or particular terms which cannot be applied unless explicitly countersigned in advance in part or in full by COYARD.

Any renunciation on the part of COYARD of any or certain of the present conditions will be interpreted restrictively and may not be interpreted as an implicit renunciation for any other or future agreements.

"COYARD" is understood as the company COYARD S.A.S. and any representative, director and/or person working for or on the orders of the company COYARD S.A.S.

"Contracting partner" means the person or company that buys the products manufactured and/or distributed by COYARD or that wishes to conclude a sales agreement with COYARD.

2. Order acceptance

Prices mentioned in catalogues and in offers of COYARD are merely indicative; only the prices specified in the acceptance of the order will legally bind COYARD.

The sales contract is considered legally binding from the time COYARD dispatches the written acceptance of the order.

Any verbal agreement with the principals and agents of COYARD, prior or after to the establishment of the contract, is valid only with a written confirmation signed by COYARD.

3. Order cancellation or modification

Once accepted by COYARD, no order may be cancelled or modified, except with the prior written agreement of COYARD and under the condition that all the resulting expenses (included studies expenses and the loss of profit) will be borne by the contracting partner; down payment may not be refunded, particularly if it are lower than the resulting expenses and the loss of profit.

Any cancellation or refusal of an order by COYARD, even if previously accepted, cannot give rise to awards of damages unless an express stipulation to the contrary is provided for in the particular conditions of the sales contract.

COYARD will be liberated of its obligations resulting from the sales agreement in the occurrence of any fortuitous event or *force majeure*, included but not limited to strikes within the company of COYARD or with its suppliers and/or subcontractors, riots, war, invasion, putsch, fire or any similar event or circumstance such as an embargo, change of regulations, decrees or laws including authorization or refusal of exportation licenses, machine breakdown or tool accident but also general lack of supplies and so on.

4. Delivery times

Delivery times are given on an indicative basis and do not legally bind COYARD unless an express written provision provides to the contrary. In the case of a delivery time explicitly and firmly accepted in writing by COYARD which define: collection date, inspection date, delivery date ; the date limit runs from the last of the following dates: the date of the dispatch of the written acceptance of the order by COYARD; the date of the clarification possibly required for all the terms of the order; the date of the approval by the contracting partner of the drawings and specifications defined contractually; the date of the reception by COYARD of the down payment or letters of credit if this is provided for in the contract.

The contracting partner cannot claim any adjournment of the execution date or the delivery date without COYARD agreement.

Apart from the reasons justifying exonerated defined in point 3 here above, if the sales contract signed by COYARD explicitly foresees it and upon the request of the contracting partner, in the event of a delivery delay with regard to the delivery time established here above, the following penalty provision could be applied: for each entire week of delay, with a franchise of two weeks, a penalty of 0,20% of the value of the products of which the delivery is being delayed, with the stipulation that the penalty may not, in any case, be greater than 3% of the value of these products. This fixed penalty can only be applied if the delay arises exclusively due to COYARD and if it causes a real detriment to the contracting partner, stated on a contradictory basis.

No other claim for damages may be made if the delivery is not made within the stipulated delivery time.

The delay in delivery may not in any case give rise to the cancellation of the order.

5. Conditions of inspection and delivery

Irrespective of the Incoterms chosen for the delivery of the products, the products are sold, inspected and approved in COYARD's factories or in those of its suppliers, in conformity with their standard procedures, which the contracting partner must inform himself of. The latter is authorized to inspect and verify the products, at his own expense, or to have this done by his duly empowered representatives and this either in COYARD's factories or in those of its suppliers, during normal working hours, after arranging the time and the day with those in charge.

If a particular inspection is stipulated in the contract, it will be carried out within a maximum time limit of two weeks from the date of the emission by COYARD of the convocation for this inspection. If the contracting partner, duly informed, fails to present himself within this time period, the inspection will be executed by COYARD, at the expense of the contracting partner, and he cannot contest it. This inspection equals to a recognition of lack of defaults.

The invoice is established when finished products have been inspected and verified as exposed previously if applicable; after release, finished products have to be collected in the defined place within eight days after the invoice date at the latest. The no collection of the finished products don't postpone due date of the invoice and storage will be done at contracting partner own risk. Any uncollected finished product within three months following the invoice date will become full property of COYARD and all unpaid amount of the invoices as well as expenses (with a minimum amount of 5% of the products price) related to storage during this period are still remaining.

Despite of the reservation of title to goods, risk and expenses are at the expense of the contracting partner after availability of finished products. In the event the products are directly supplied by COYARD, at its own expense, the risks and costs relating to the goods are transferred to the contracting partner according to the conditions "Ex-works" as set out in Incoterms 2000.

6. Dispute

Any dispute concerning the invoices of COYARD, particularly regarding the quality of the delivered products, and any challenge to COYARD's guarantee with regard to visible defects must be made in writing within eight working days from the reception of the invoice. In case this delay is not respected, the liability of COYARD lapses automatically, except in case of fraud.

7. Guarantee

The guarantee is only applicable on finished products whose the contracting partner can claim the property, in other words acquired subject to the condition precedent that all invoices regarding guaranteed finished products are fully paid.

For all finished products and parts, purchased and resold by COYARD in their original state without any transformation, the guarantee is limited to the one issued by their suppliers.

Products manufactured by COYARD, i.e., mainly, components of valves and fittings, are guaranteed against any defect in workmanship, manufacturing or any material defect revealed during the first 12 months after their being put into service, with a maximum of 18 months from the delivery date or that of their being ready for collection. When these deadlines expire, no recourse is allowed.

Any detection of a hidden defect must be reported immediately to COYARD in writing.

The performance of any product sold is only guaranteed within the limits set out upon the acceptance of the order by COYARD.

The guarantee covers exclusively, and with COYARD having the choice, the reimbursement of the price, the standard exchange or the repair of the products recognised by COYARD as being defective within its factories, with the exclusion of transportation, packaging, assembly, disassembly, detection and control fees or any other costs which will be at the charge of the contracting partner. In no case COYARD will assume any responsibilities in expenses of operations made by the contracting partner on the finished products, before it are put on disposal particularly heat treatment, machining, welding or control fees revealing unacceptable imperfections, if it is not a serious misconduct from COYARD.

COYARD becomes the owner of any replaced parts.

No return of products will be accepted unless it is with the prior written agreement of COYARD. Any product returned without this written agreement will be make available to contracting partner and will not result in any refund.

8. Limit of guarantee

In no case will COYARD assume any responsibilities beyond those defined in point 6 and 7, notwithstanding any clause to the contrary that may be included in any document. It is to be noted specifically that COYARD will not be held liable for any penalty or indemnity towards the contracting partner for damages caused to employees of the contracting partner and/or people for whom the contracting partner is responsible for damages caused to the goods used for professional reasons other than the sold products, for immaterial damage such as loss or loss of profit, penalty resulting from delay in the delivery, holding fees or other financial expenses linked to the professional activities of the contracting partner.

The contracting partner is responsible for the implementation of the sold product in normal foreseeable conditions of use and in accordance with the security and environment laws applicable at user site, as well as with the "rules of the art".

The choice of a sold product matching his technical need is under contracting partner responsibility, as well as if necessary the fact to check with COYARD the adequacy of the sold product with its intended application. The contracting partner has the responsibility to clearly communicate to COYARD specifications, norms and tolerances applicable and to clearly define, in all its aspects, the products to be furnished as well as the terms and conditions of inspection, controls and tests imposed by the contracting partner. Failing this, COYARD will work on specification which, in its opinion and at first sight, especially applies to its supplies, all other data transmitted afterwards not being regarded as impossible. It is contracting partner responsibility to make COYARD accepted or if necessary approved by the final customer.

Any means of transport, storage, installation or use by the contracting partner of the sold product that is not in conformity with the "rules of the art" and with COYARD's technical specifications, commissioning by the contracting partner without having carried out all the inspections and tests which the design, use and end industrial result sought, any faulty intervention or repair by the contracting partner or by a third party without prior written authorisation from COYARD or any lack of maintenance voids the guarantee. This guarantee does not cover either any defect on material furnished by the contracting partner or resulting from a conception, manufacturing method or instruction imposed by the contracting partner, either repair resulting from normal use or due to "force majeure" as defined in point 3 here above, either the consumables.

9. Special work orders

Special work orders on free issued materials are only carried out if they meet the working conditions set out by the contracting partner in writing (usual state and mechanical features in conformity with the announced grade).

The contracting partner stays entirely responsible for its goods; he has the responsibility to take out insurance against damage or destruction to its products, and the contracting partner waives any right of action against COYARD.

In the event where those orders cannot be completed by COYARD for any reason whatsoever, no penalties or damages can be claimed by the contracting partner. In the event of defective work, COYARD's responsibility is limited to the amount of the invoice relating to the work order.

10. Drawings, studies, equipment, models.

All expenses regarding equipment and studies taken into account in COYARD's invoices are always to be regarded as a participation of the contracting party in these expenses. COYARD does not give a guarantee on the duration of the use of these equipment.

Such equipment, models and studies, along with the whole of the documents previously handed over to the contracting partner or even after the conclusion of the contract, remain forever the exclusive property of COYARD, stay in its plant and COYARD reserves all intellectual rights in their respect. These studies and documents may not be used by the contracting partner, nor transmitted to a third party, except within the framework of the stipulations of the contract concluded with COYARD.

All equipment manufactured at the request of the contracting partner, even if the latter has contributed financially in all or part of the costs of the manufacturing of the equipment, will be regarded as being discarded if a year has passed since the last order was placed that has a bearing on this equipment.

11. Intellectual right and trademark

The contracting partner guarantees that at the time when the contract was concluded the content of the plans and specifications and their implementation conditions did not use intellectual property rights or know-how held by a third party. He guarantees the right to freely dispose without violating any legal or contractual obligation. The contracting partner agrees to indemnify COYARD in respect of the direct or indirect consequences of any action for infringement or unfair competition because of the carrying out of the orders for products covered by industrial or intellectual ownership rights or intellectual property such as patents, registered designs or trademarks, or by any private law. The same is true in case where the use made by the contracting partner of the sold materials or articles manufactured using these materials alone or in combination with other materials would be covered by a patent, model, trademark or any other intellectual right.

12. Features ad status of products ordered

Weights, dimensions, chemical and mechanical features, performance data and other data appearing in COYARD's documentation have an approximate indicative value. Such data do not legally bind COYARD unless they are clearly indicated or repeated in the acceptance of the order by COYARD.

The supply of products is always undertaken with respect to the tolerances in usage and in conformity with the most usual standards both for the quantities requested and the quality of the merchandise.

13. Packaging and transportation costs

Unless otherwise stipulated expressly in writing by COYARD, transportation costs, packaging, installation and setting up service are at the expense of the contracting partner.

Non consigned packaging is not taken back by COYARD. The contracting partner undertakes to dispose of the packaging at his own expense in accordance with local environmental regulations.

14. Payment

For any order lower than an amount excluding tax of 10 000€, invoices shall be payable cash in the currency specified in the order, net and without discounts, unless the invoice provides explicitly for another term of payment. If other terms of payment are agreed, they are understood to run from the date of the invoice.

For any order between 10 000€ and 100 000€ excluding tax, payment shall be made under the following terms unless the invoice provides explicitly for another term of payment:

- 10% at COYARD's acceptance of the order
- 30% at reception by COYARD of main raw materials and supplies
- 50% at delivery of the requested documents for collection
- 10% at delivery of COYARD documentation and/or certificates

For any order higher than an amount excluding tax of 100 000€, payment shall be made under the following terms unless the invoice provides explicitly for another term of payment:

- 10% at COYARD's acceptance of the order
- 20% at the acceptance of drawings
- 30% at reception by COYARD of main raw materials and supplies
- 30% at delivery of the requested documents for collection
- 10% at delivery of COYARD documentation and/or certificates

Any invoice unpaid at the due date will be subject to penalties on due amount, the interest charge applied by the European Central Bank at its most recent refinancing operation plus an increment of 10 percentage points, and will be legally and without formal notice, without prejudice to any other right of COYARD, subject to a compensation for recovery costs of 40€ fixed by decree (N°2012-1115).

In case of change to regulatory framework, the new amount will be substituted to the one here above. When the recovery costs are higher than the compensation, COYARD can apply an additional expense allowance.

Any founded opposition or claim will result in a proportional reduction of the indemnities and interest charges as provided here above.

The non-payment of one invoice alone at its due date renders payable in whole the balance due on the other invoices, even those not yet due.

If the contracting partner fails to meet one or several of his obligations towards COYARD and/or it appears, after the conclusion of the contract and until the whole payment of the price, that his credit worthiness is put into doubt or has deteriorated, in particular by being challenged, his assets seized or by being declared bankrupt, or the revelation of a pledge in his business, or the lack of coverage by credit insurance companies, COYARD may, even after partial execution of a contract, require from the contracting partner guarantees deemed suitable in light of ensuring the proper execution of the commitments taken. A refusal of the contracting partner to satisfy this gives COYARD the right to immediately cancel all or part of the contract, without warning or previous formal notice and without prejudice to any other rights, unless it might prefer to execute in which case the expiration of all terms conceded to the contracting partner will take place, all payments due becoming demandable, any order then executed resulting in payment being due at first request. If COYARD renounces in this context to the execution, it reserves nevertheless the right to request compensation for its loss of profit on the balance.

15. Taxes

Any taxes whatsoever, present or future, of any nature whatsoever pursuant to French regulations or those of an importer country or a transit country, are at the charge of the contracting partner.

16. Reservation of title to goods

The contracting partner recognises that the title and property of all sold goods will not be acquired by him except under the suspending condition of the integral payment of the invoices relating to these goods, including the possible costs and interest charges in this respect. In case of resale, COYARD keeps the right to ask the final customer to pay the due amount to use the finished product. The retention of title shall be transferred to the sale price.

In case of non-payment by the due date, COYARD could legally annul the sale without formal prior notice. Consequently and until the fulfilment of this condition, the contracting partner is forbidden from disposing by any means the products without explicit written authorisation signed by COYARD.

17. Jurisdiction

The present conditions and any contract concluded between COYARD and the contracting partner are governed by French law.

All agreements concluded with COYARD are considered as concluded at its head office.

Any communication, messages or agreements transmitted by fax or other means of communication are regarded as signed in its offices. All disputes arising out of or in connection with the drafting, conclusion, interpretation or execution of the present conditions and/or any contract to which they apply, will be of the exclusive jurisdiction of the courts of Angers.

This jurisdiction clause is applicable for claims regarding guarantee.