

STANDARD CONDITIONS OF SALES

RIVARD – ZI DU GRAND CLOS – 49640 DAUMERAY (FRANCE)

1. APPLICATION OF STANDARD CONDITIONS OF SALE

These standard conditions of sale govern all sales by RIVARD. They may only be derogated from by written agreement accepted expressly by RIVARD within the framework of a given sale. Any order placed by a buyer automatically implies such buyer's unreserved acceptance of these terms and complete waiver of the buyer's own standard conditions of sale, if any. These conditions of sale are an integral part of the contract. Nullity of one of them does not entail nullity of the remainder of the conditions of sale. RIVARD's waiver of one or more clauses in these standard conditions of sale does not affect the validity of the other clauses.

2. FORMATION OF CONTRACT

2.1 -The contract shall only be concluded after written acceptance by RIVARD, expressed in an acknowledgement of receipt of the buyer's order issued by RIVARD and, for export sales, after acceptance of all foreign trade documents, including the letter of credit. RIVARD shall be bound by the commitments accepted by its representatives or agents, if only these commitments have been confirmed in writing by RIVARD. Such confirmation deemed to be the acknowledgement of receipt of the order concerned. Any order placed orally or by telephone must be confirmed in writing. If there is a difference between the order and its acceptance, the acceptance shall be deemed valid. However in such circumstances, the buyer shall have 15 days to notify RIVARD that it rejects the acceptance.

2.2 -No accepted order can be modified, suspended, canceled or rescinded, whether in full or in part, without RIVARD's prior written consent.

3. OBJECT OF CONTRACT

3.1-The contract shall be strictly limited to the goods and services expressly mentioned therein, based on the specifications supplied by the buyer. The buyer shall be responsible for the design and construction of its facilities as well as the choice of goods incorporated therein.

3.2-If no specifications are supplied by the buyer, the delivered goods shall be of ordinary sales quality with the customary tolerances.

3.3-Size, weight, performance and mass tolerances shall be those usually accepted for the specified type of goods.

3.4-Any supply not expressly provided for in the contract shall be covered by a separate agreement in the form of a written amendment accepted and signed by the parties. This amendment shall be governed by the standard conditions of sale, as well as the amended contract.

4. PRICE

4.1-The prices, specifications, weight, dimensions, information, pictures and drawings included in pricelists, catalogues, notices and other documents are for information only and RIVARD reserves the right to make any modification in them. The prices indicated in RIVARD's offer shall be valid only for the specified quantities and for the stipulated delivery and payment times, provided the order is placed by the agreed time limit.

4.2-The prices set at the moment of acceptance of the order shall be excluding VAT and other taxes, excluding customs fees, transportation and insurance costs, excluding packaging and ex-works.

4.3-In the event of differences between ordered and delivered goods, prices cannot be disputed if such differences fall within the industry tolerance limits usually accepted for the goods supplied.

5. FORCE MAJEURE

As distinct from the concept of force majeure as defined by the French courts, "force majeure" is here also used to mean any insurmountable event which makes it impossible or unreasonably more expensive to perform an obligation under the agreement, even if such event is foreseeable and/or not foreign to its victim, including but not limited to strikes, social unrest, uprisings, riots, terrorism, serious difficulties to obtain raw materials or means of transportation, acts or regulations by national or international public authorities. At RIVARD's discretion, force majeure may entail temporary suspension of delivery, in which case the order delivery time is extended by a period equal to the one during which RIVARD, because of such event, was unable to perform its obligations, or may entail cancellation of orders without damages and costs.

6. INTELLECTUAL PROPERTY RIGHTS

6.1-RIVARD reserves the entire property right to all designs, drawings and documents connected with the goods sold. They may not be used, recopied, reproduced, transmitted, disclosed or assigned to third parties without RIVARD's written authorisation. They must be returned to RIVARD on request, even if the buyer has been requested to contribute to the design cost. If design work is carried out at the buyer's request, or documents provided to the buyer are not followed by an order, the buyer shall be invoiced for such design work and any travel costs that have incurred in association with its request.

6.2-The model or tools made by RIVARD with respect to its supply shall remain its property, including any improvements made after the sale, even if made at the buyer's request

7. DELIVERY

7.1-The delivery times are mentioned for information only. Delay may not result in payment of late-delivery penalties or any other indemnity or damages or costs, nor entail cancellation, in full or in part, of the order, unless expressly accepted by RIVARD in its acknowledgement of receipt of the order.

7.2-RIVARD shall automatically be released from any obligation with respect to delivery times in case the payment terms are not respected by the buyer, and in case of force majeure or any other independent reason out of the control of RIVARD.

7.3-Unless otherwise specified, the time for delivery shall start at the date on which RIVARD sends the acknowledgement of receipt, provided that all information necessary to satisfy the order has reached RIVARD by this date and provided the buyer has paid the requested advance, if any.

7.4-Unless otherwise stipulated, the equipment shall be deemed sold at the date of delivery ex-works with the full transfer of all the risks to the buyer at the same date. For export sales, the delivery terms concerned shall be construed according to the INCOTERMS in force at the time when the contract is entered into. If no special delivery term has been agreed, the delivery shall be ex-works and corresponding invoice of the equipment and the full risk of transfer to the buyer will be effected at the date of delivery ex-works.

7.5-RIVARD reserves the right to deliver goods by installments.

8. PACKAGING

If no special request is received from the buyer, the need for packaging and the type of packaging shall be determined at RIVARD's discretion. Packagings shall always be paid for by the buyer and shall not be taken back by RIVARD. If the buyer itself designates the packaging or the company which will make the packaging, RIVARD shall not be liable for any damage due to defective or inappropriate packaging.

9. ACCEPTANCE

9.1-The buyer shall at its own expense take receipt of the goods at Rivard's plant or warehouse. The buyer shall verify or have another party verify that the goods comply with the terms of the order. On penalty of forfeiture, it shall notify RIVARD by registered letter with notice of receipt of any non-conformity noted during this examination, within ten calendar days following receipt of the goods. No supply may be returned to RIVARD without its prior agreement.

9.2-If non-conformity is confirmed after inspection by RIVARD, RIVARD shall ship a replacement supply or the repaired supply. The buyer waives the right to any other indemnity. In case of a disagreement on the existence of non-conformities between RIVARD and the buyer, the parties shall have recourse to an expert.

10. TRANSPORTATION

10.1- Handling, transportation, customs and insurance operations shall be borne by the buyer. RIVARD shall only organize transportation if requested by the buyer. Associated costs and risks shall be born by the buyer.

10.2-RIVARD can in no event be held liable for any damage to goods during transportation. The buyer shall verify the condition of the goods on arrival and, in case of delay, damage or missing goods, send the carrier within forty-eight hours a claim by process server or by registered letter, even if the goods were shipped pre-paid.

11. RESERVATION OF OWNERSHIP

11.1-The goods shall remain the full and exclusive property of RIVARD until their full price has been entire paid, including principal, interest and any incidental expenses. Cheques, bills of exchange and similar documents shall only be considered as valid payment if honoured on their presentation. Failing to pay the full price, the buyer undertakes to return the sold goods at RIVARD's request, notified to the buyer by registered mail. The cost if any of repairing the goods sold shall be charged to the defaulting buyer.

11.2-Notwithstanding reservation of ownership, the buyer shall bear all risks connected with the goods supplied from the moment of delivery according to the contractual terms. Until payment of the full price, the buyer shall monitor the goods with the greatest care. It shall insure them, in favour of the appropriate beneficiary, against all risks which they may incur from the date of delivery ex works. Moreover, it shall store them under such conditions that they cannot be confused with other goods and shall in addition be kept identifiable as RIVARD's supply.

11.3-The buyer cannot pledge the sold supply nor transfer its ownership by way of guarantee. In case of seizure or any other intervention by a third party, the buyer shall immediately notify RIVARD.

11.4-As part of its ordinary business, the buyer may resell the sold supply to its own customers, even though it is subject to reservation of ownership, provided the buyer pay RIVARD immediately on the day of the resale, if made for cash, or send RIVARD on the day of the sale a copy of the resale contract specifying the customer's identity and address and the terms of payment if the said contract provides for credit. Moreover, in case of a resale on credit, whether or not the goods supplied are converted or used before or after delivery as part of such resale, the buyer herewith irrevocably declares that it transfers its credit with its customer to RIVARD, up to the amount owed by the buyer to RIVARD. The buyer warrants toward RIVARD that its customer is solvent and irrevocably undertakes to pay the debt should the customer default.

11.5-Whenever RIVARD is obliged to exercise its reservation of title, advances received from the buyer shall irrevocably remain RIVARD's by way of lump-sum indemnity.

12. PAYMENT

12.1 Unless otherwise provided and subject to paragraph 12.2, invoices issued by RIVARD must be settled by cash payment at the time of availability of the goods. If delivery of the goods is delayed due to the buyer or due to transportation means chosen by the buyer, RIVARD will issue an invoice of availability payable in the same timeframe as if delivery had taken place on the date specified in the contract without prejudice to the billing of warehousing and other costs. 12.2 A first deposit equal to 30% of the total amount of the order is payable by the buyer to RIVARD at the validation of the order by the latter. A second deposit corresponding to 40% of the total amount net of the order is payable by the buyer to RIVARD two months before the planned date of availability of the order. The balance is payable in cash on the date of availability of the order under the conditions referred to paragraph 12.1.

12.3 Instructions or acceptance by RIVARD of payment terms shall not have the effect of either substitution or exception to the jurisdiction clause contained in these general conditions of sale.

12.4 Any claim by the buyer does not release it from its obligation to pay the invoices as they fall due.

13. DEFAULT IN PAYMENT

13.1 In the event of non-payment of invoices issued by RIVARD on the due date shown thereon, penalties for late payment accrue from the first day following the due date and are calculated at the statutory supplementary rate without prejudice to any compensatory damages.

13.2-In the event that the buyer defaults on all or part of a payment or requests extension of the due date or in case of a significant change in the buyer's situation, RIVARD moreover reserves the right to:

-state that its entire claim on the buyer is immediately due;

-suspend the execution of the corresponding order.

-cancel the order concerned after a formal demand served by registered letter with notice of receipt which has not been acted upon within eight days from receipt and, at RIVARD's discretion, cancel all orders outstanding with the buyer. Cancellation of the orders shall entail recovery of the goods by RIVARD,

-ask for guarantees of payment it considers necessary;

-keep all advances received by way of indemnity, without prejudice to any other damages and costs.

14. WARRANTY

14.1-The warranty period of the goods will be equal to the shorter of the two following periods : 1 year as from their delivery date, or 1000 hours of use, with the hourcounter of the motor attesting such use. This guarantee is in addition to the guarantee that must be provided by the manufacturer of the defective or non-compliant part or materials. It does not apply when the manufacturer's guarantee can be enforced.

14.2 During the guarantee period, RIVARD guarantees its products against all defects in design, materials or workmanship. RIVARD shall not be liable for the consequences of:

- Normal wear and tear of the product,

- Damage or accidents caused by neglect, lack of supervision, maintenance or storage, a use not in keeping with the normal purpose of the products and with the RIVARD recommendations and maintenance manual.

- Repairs, modifications to parts or replacement of parts made by or at the request of the buyer by a third party unauthorized by RIVARD or, failing authorisation, without the prior written consent of RIVARD.

- Mechanical, thermal or chemical wear and tear resulting from a utilization not compliant with the characteristics of the products, and damage to the products arising from experiments or tests other than the usual checks carried out in accordance with good practice before commissioning.

- Any consequential damages.

- Damage caused to an equipment purchased from RIVARD if such damage was caused by an operator not trained by RIVARD. Defective products that have been repaired by the buyer without the prior written consent of RIVARD are excluded from the warranty. In the event that the repair by the buyer of a defective product has received the prior written consent of RIVARD, RIVARD is only required to meet the cost of these repairs up to the limit of the estimate that it agreed in writing.

Contract work and repairs of used products are not included in the warranty. The warranty does not apply in the event of the buyer's non-payment. The buyer cannot suspend or defer its payment obligation in case of warranty claim refusal.

14.3-If the buyer discovers a defect covered by the warranty, it shall notify RIVARD by registered letter with notice of receipt within ten days from delivery, in case of visible defects, or from discovery, in case of hidden defects. Given that everything needs to remain unchanged from discovery of the alleged defect, RIVARD, the buyer and, at RIVARD's request, the manufacturer of the goods or its representative shall meet within one month from the date on which RIVARD receives the before-mentioned registered letter in order to draw up a report, signed by all parties, noting the existence of the defect. No supply may be returned to RIVARD without its prior consent.

14.4-In the event of such a report, RIVARD, at its choice, shall either pay to repair the defective equipment or to supply, on the initial contractual terms, replacement equipment. RIVARD shall not pay any other costs, including by way of example, transportation, disassembly and reassembly of the goods supplied concerned and all incidental costs. The buyer waives the right to any indemnity for damage suffered by it. Repair or replacement of the original supply shall not change the warranty conditions available under these stipulations.

15. LIABILITY

15.1-RIVARD shall not be liable for tangible and consequential damages, whether resulting or not from physical injury or damage to property suffered by the buyer, which waives the right to take legal action against RIVARD for any damages claim in this respect.

15.2-Except for damages covered by the application of the Insurance policies taken out by RIVARD, the buyer's right to damages shall be limited, taking into account all possible grounds, to an amount equal to the lowest of the following two sums : the VAT free price of the order or a sum limited to twenty thousand euros; the buyer waives the right to sue RIVARD for any other sum.

15.3-The waivers of recourse stipulated under the Articles 15.1 and 15.2 above shall be valid against all agents of the buyer, the buyer's customers and the buyer's joint contractors or subcontractors. The buyer undertakes to notify them as necessary.

16. INSURANCE

16.1-The buyer expressly waives the right to sue RIVARD's insurer(s) for consequential financial losses, following from personal injury or property damage, or pure financial losses, as part of any direct action it may be entitled to bring.

16.2-The buyer acknowledges that it is aware of the amount of the warranties specified in the Insurance policies taken out by RIVARD. In the event of a claim exceeding the amount of the said insurance, the buyer waives the right to sue RIVARD for the surplus.

16.3-The waivers of recourse stipulated under the articles 16.1 and 16.2 above shall be valid against all agents of the buyer, the buyer's customers and the buyer's joint contractors or subcontractors. The buyer undertakes to notify them as necessary.

17. REPAIRS

The equipment to be repaired shall be dispatched or sent to RIVARD'S workshop, or to Rivard representative at the buyer's expense and risks.

Same conditions will apply to the return of the equipment to the buyer after completion of the repair.

In the case of repairs are carried out at the equipment operating site, traveling and accommodation costs shall be invoiced in addition to costs of supplies and labor.

18. JURISDICTION

18.1-Any dispute with respect to the contract shall be judged by the Commercial Court in the district of RIVARD's registered office, which alone shall have jurisdiction, regardless of the place of delivery, even in cases of claims for indemnities or in the case of plurality of defendants, unless the parties agree to arbitration proceedings whose the terms of which shall be agreed by the parties.

18.2-The contract shall be governed by and construed in accordance with the law of France.