

GENERAL TERMS AND CONDITIONS OF SALES

Section 1

The present general terms and conditions of sales constitute the regime governing the sales of **LAFFORT** hereafter referred to as "the seller".

As a consequence, the placing of orders by the purchaser implies:

- Full adhesion by the purchaser and without reserve to the present general terms and conditions of sales;
- Renunciation by the purchaser – in all events, whatever the time, form or behalf- to availing himself of contradicting provisions or provisions overriding the present general terms and conditions of sales, and more generally, provisions not expressly specified in the present general terms and conditions of sales or by the terms of the order as accepted under the conditions hereafter defined by the seller.

The fact that the seller does not avail himself of any of the present general terms and conditions of sales, at any given moment, cannot be interpreted as amounting to renunciation by the seller to subsequently availing himself of any of the aforesaid conditions.

The present general terms and conditions of sales come into effect on August 1st, 2009.

They void and replace all other general terms and conditions submitted by the seller in the past.

Section 2

The seller and the purchaser expressly agree as follows:

- In the event of litigation of any nature, dispute or interpretation complications of the present general terms and conditions of sales, and more generally, concerning the relations existing between the parties, **the commercial court of Bordeaux** alone has jurisdiction to hear the case, unless the seller chooses some other court of jurisdiction;
- **French Law** alone governs the agreement;

This provision applies even in the event of summary procedures, incidental claims or multiple defendants.

If the general terms and conditions of sales are translated into any foreign language, the **French language** version will prevail on any other translation in the case of any dispute, litigation, complications of interpretation or performance of the general terms and conditions of sale, and more generally concerning the relations existing between the parties.

Section 3

Any order must give rise to the drafting of a written document which must imperatively contain the signature and commercial seal of the purchaser; thus the verbal order placed by the purchaser must be confirmed by the purchaser with a writing and must include all the required information – as defined by the seller – to allow the seller to analyze the order.

Any order placed by the purchaser or transferred by a representative of the seller, is valid only after receipt of confirmation by the seller's sales management department, which takes the form of the sending to the purchaser of a document of acceptance generated by the seller and including the mention "Good for approval".

As expressly agreed between the parties, no renunciation to execute from the seller shall justify any unspecified damages to the benefit of the purchaser.

The benefit of the order is personal to the purchaser and cannot be yielded without the seller's approval.

The seller reserves the right to bring, without notice, any modification as to his goods, prices, or general terms, at any given time and at any stage of the order processing – particularly to reflect the market's fluctuations – without creating any rights to indemnity for the purchaser.

Quantity prices are to be used for only one order, when the goods are shipped to one address, unless otherwise agreed to in writing. Taxes will be added to invoices, as required, except where the seller will be furnished with exemption or registration number.

Note in particular that the information to be found on catalogues, leaflets, notes, and quotes - and more generally documents of presentation and promotion of the goods of the seller, or information given by the seller, whatever the form – is given only as an indication, is not contractual and does not bind the seller.

In addition, as expressly agreed by the parties, and *force majeure* aside, no order accepted by the seller shall be cancellable (except with a written agreement by the seller so indicating) in whole or part, nor shall any order accepted by the seller be generally modified by the purchaser, in the course of performance. In such case, in addition to subjecting the purchaser to the burden of compensating for the seller's detriment, any down payments and/or instalments paid by the purchaser shall be withheld by the seller.

Section 4

The dates of delivery and/or tender are given based upon seller's information and best judgment at the time, any violation of these deadlines may not give rise to damages for the purchaser, nor to withholdings of sums, or cancellation of order. Moreover, these deadlines are dependent upon the receipt in due time by the seller of all the elements required by the purchaser.

Section 5

It must be emphasized that cases of *force majeure* or act of God fully release the seller from all obligations, at the discretion of the seller – temporarily or definitively. All causes not directly and exclusively imputable to the seller's violating and/or stopping manufacture and/or stopping deliveries of the goods object of the order, will be considered as such. The seller shall inform the purchaser of all these circumstances.

Section 6

The goods of the seller are deemed to be in compliance and are consequently approved by the purchaser ex-works of the seller located 11, rue Aristide BERGES in FLOIRAC (33) FRANCE or in any place indicated for this purpose by the seller.

The return of any product shall not be carried out without the written consent of the seller (materialized by a recovery document filled by the seller and sent to the purchaser).

Unless contra conditions arise on the seller's side, and are given form in a written document pre-drafted by the seller, the return of goods – subject to prior agreement by the seller as defined above – shall conform to the following:

- the goods concerned by the return were provided to the purchaser by the seller and the purchaser can justify the origin of this purchase;
- the purchaser has the original packaging that contained the goods to be returned and is able to return the aforementioned packaging to the seller;
- the purchaser bears the burden of covering for the expenses and risks related to the return of the goods.

While waiting for this contingent consent, the product must be held by the purchaser at the disposal of the seller at the purchaser's place.

The seller acceptance of the return of a non-conforming product does not amount to assumption of responsibility by the seller.

Any product returned without the consent of the seller will be held at the disposal of the purchaser and shall not give rise to the generation of a credit note.

The purchaser will have to mitigate damages and act in a way such as not to worsen the complication noted by the purchaser. The non-observance of this condition shall preclude any action as against the seller, should the case arise.

Section 7

Packaging is considered by the purchaser as an appropriate means for preserving the integrity of the goods bought; thus, the purchaser agrees to discharge the seller from all claims directed against him on this basis.

Notwithstanding specific packaging and unless particular conditions apply (such as consignment, express mail...), which shall be expressly mentioned in the document of confirmation of order from the seller, packaging is included in the price of the goods and does not have to be restituted to the seller.

Section 8

In light of the diversity of the possible situations in this area, the methods of delivery of the goods shall be specified by the seller at the time of order and shall appear in the order confirmation document from the seller.

Unless otherwise expressly agreed by the seller, the purchaser fully bears the burden of the risks involved with the goods as of tender by the seller, whatever the mode of delivery chosen (transportation by the seller, or transportation or pick up by the purchaser) and the place of delivery agreed on. Tender is the moment when the goods subject of the order are handed by the seller, at the seller's place, to the intermediary in charge of transportation, or in some cases when the purchaser handles the delivery himself, to the purchaser (or the intermediary agent appointed by the latter for this purpose).

Consequently, and unless otherwise specified, (see preceding paragraph), the purchaser bears the risk of loss and damages while the goods are in transit. The purchaser takes responsibility for:

- taking possession (loading and/or unloading) of the goods object of the order in compliance with the conditions of time and place originally agreed upon, as well as inspecting the goods and checking their conformity to the conditions agreed upon in the order;
- disclosing at the time of reception any anomaly as to these goods (in particular by indication of reserves written on the document where the intermediary in charge of transportation asks the purchaser for a discharge) by producing any document that would tend to support and prove the non conforming attributes.

The purchaser checks the status, quantity, quality of the goods and more generally the conformity of the goods delivered for the given order.

- Confirming the anomalies detected – independently from the reserves to be made to the intermediary in charge of transportation in accordance with the regulations in force – to the seller by certified letter with acknowledgement of delivery within three days following the reception of these goods. It is up to the purchaser to provide any justification as to the validity of the defects or anomalies noted.

Section 9

The purchaser is the sole responsible for the choice, use and usage of the goods acquired by him from the seller, since he is a professional.

For this reason, the purchaser declares being fully informed of the characteristics, effects, reactions, and evolutions of the goods acquired from the seller; the purchaser further concedes having been able to obtain all necessary explanations or specifications concerning the goods' conditioning, conditions of preservation, use and usage, and consequently having acquired the goods and used them with all necessary and relevant knowledge.

Section 10

Unless otherwise expressly stated and accepted on the order acknowledgment, **the invoices are due and payable within 30 days from the date of the invoice.**

The invoices are payable in all circumstances at the seller's place.

The payment shall be made using a draft or any other method of payment determined by the seller in accordance with the payment deadline(s) agreed upon for the order; the purchaser must make all arrangements for the payment to be effective on said date.

The invoice is considered paid when the amount on the invoice is credited to the seller's bank account.

The payment deadline aforementioned shall not be extended by any express agreement between the parties whatever the reasons invoked – the complaints made by the purchaser may not defer payment for the order to which the complaints are related.

No discount shall be granted in the case of early payment – except express agreement.

Interest will be charged for any amount remained unpaid on due date, at maximum legal rate in force, or at the usual rate of 1,5% monthly on the unpaid balance where such rates are not established. These interests run from the payment deadline until the actual payment of the amount due.

The mechanism of the late payment interest mentioned in the preceding paragraph does not constitute an obstacle to the payment by the purchaser of a damage allowance in an amount equal to 15 % of the sum that remained unpaid by the deadline.

In addition, the non-payment of just one invoice renders all other invoices remaining due to the seller immediately payable – the entirety of the sums in question are subjected to the same provisions as defined above.

Any deduction for and/or compensation from the purchaser are expressly excluded unless otherwise agreed by the seller.

In case of payment delay – and without prejudice to the application of the penalties aforementioned – the seller, of his own will, shall be able to:

- suspend his obligations in connection with the order affected by the delay as well as all pending orders until complete payment of the sums which the purchaser still owes him;
- condition the performance of the pending orders by taking guarantees or by accepting new terms (in particular new conditions of payment), giving all guarantees of payment to the seller acceptable to the seller.
- rescind the sale. If the purchaser defaults on his obligation to reconstitute the goods to the seller, the latter may initiate a summary (provisional) proceeding to seek restitution of the goods at case – all without prejudice to the possibility of obtaining separate payment of any damage-interest. This rescission shall affect not only the pending order but also – if the seller so desires – all or part of unpaid orders from the past or orders to come, whether tender occurred or whether the goods are still in transit, and whether payment is yet due or not. The seller shall withhold the instalments paid by the purchaser.

The purchaser shall reimburse all the expenses incurred by the seller in connection with trying to recover the sums due.

Any deterioration of the credit of the purchaser, non-observance by the latter of the conditions of payment, or the conditions of outstanding debt specified if necessary by the seller and generally, any modification, whatever its origin, in the situation of the purchaser – shall justify as expressly agreed by the parties – restricted requirements of a guarantee and/or restricted modes of payment set forth by the seller, or may even justify the refusal by the seller to honor any subsequent orders by the purchaser.

The purchaser shall authorize the access to his premises to any person specifically designated by the seller accompanied by an officer of justice with the objective of drawing up a complete inventory of his goods.

Section 11

The goods governed by the present conditions are sold with a provision expressly conditioning the transfer of ownership of these goods to the full payment of the price (principal and accessory).

It is understood that the simple handing-over of a title creating an obligation to pay, draft or other, does not constitute a payment within the meaning of the present provision. The original debt continues to exist with all the guarantees attached (including the retention of title) until the aforementioned commercial paper is actually paid as per the present general conditions of sales.

The provisions above do not constitute an obstacle at tender of the goods (as defined by the present conditions) to the transfer to the purchaser of the risks of loss or damage of the goods subjected to retention of title as well as the damages the goods could cause. The purchaser shall subscribe an insurance guaranteeing the whole of the risks incurred from the tender of the goods.

Concerning the goods not yet paid for, the purchaser will have to see that those goods are identified as property of the seller and that they cannot be mistaken (mixed up), nor become the object of the claim by and third parties. The goods in stock are presumed to be those unpaid.

The purchaser is precluded from making any transformation, incorporation or modification concerning the goods before having paid for the goods in full.

The purchaser agrees not to pledge, encumber, or transfer the goods as security.

The goods may be recovered at any time by the seller – at the expense of the purchaser - without need for any preliminary summation, in case of nonperformance of obligations by the purchaser – without prejudice to the payment, to the benefit of the seller of any damages. The seller and his transportation agent consequently shall be authorized to access the premises of the purchaser to seize the goods governed by the retention of title provision. This procedure is not exclusive of other legal actions or proceedings which the seller may decide to initiate.

In the case of resale by the purchaser of the goods objects of this order, the latter agrees – as per the seller's choice - to immediately pay the balance of the remaining price owed to the seller or to make all arrangements (which must be communicated to and agreed upon by the seller beforehand) necessary to ensure the protection of the seller's interests.

Article 12

12.1 As a professional, the buyer acquires said products with full knowledge of the facts. Buyer information is specified in the technical documents made available by the seller and describes the characteristics and performances of the products and their conditions of use.

The buyer is, consequently, exclusively responsible for the choice, use and appropriateness of the products ordered for the buyer's requirements and, notably, for the conditions in which said products are to be used.

As a consequence, excluding manufacturing defects affecting the products ordered, the seller assumes no further responsibility. The seller will thus be exempt from all responsibility, notably in relation to:

- Any inadequacy or inappropriateness of the products ordered by the buyer,
- Any usage by the buyer of the products ordered in a context that does not correspond to the characteristics, performance and stipulated conditions of use of said products.

12.2 If the seller assumes responsibility, and in the event that the jurisdictions competent for recognising such a litigation conclusively accept the responsibility of the seller, the total amount of indemnities and more generally of all amounts assigned to the seller for the compensation of all damages suffered by the buyer in this capacity is limited to the amount of damages actually suffered - the buyer being required to prove complete evidence of such damages - and in all circumstances is capped at an amount of one million (1,000,000) Euros.