

GENERAL CONDITIONS OF SALE

GENERAL

These general conditions of sale govern, to the exclusion of all other documents, the sale of our products. Any modification to these terms and conditions must be accompanied by a written and signed confirmation on our part. The prices and information contained in the catalogues, prospectuses and tariffs are not binding and LACAZE ENERGIES reserve the right to modify the layout, appearance, dimensions or materials of its products. The company LACAZE ENERGIES is engaged only by remission of a firm offer made on company headed paper. The company is not bound by commitments which might be undertaken by its agents or employees except if these are confirmed by the company itself. This offer is valid only for the duration mentioned in the quotation. The supply covers exactly and exclusively the equipment indicated in the quotation and the acceptance of the offer also implies the acceptance of these general conditions. The information supplied to the buyer as part of the guide for the use or the configuration of a sold appliance are given in an advisory capacity and without commitment on our part. When a contractual provision is made for the payment of a first instalment on order, the order becomes final only after the receipt of such first instalment. The company LACAZE ENERGIES does not grant the client any right of ownership or of licence to use patents or procedures or know-how used or necessary for the realisation of the equipment sold.

DISPATCH AND DELIVERY

Whatever the origin, destination of equipment and conditions of sale, the delivery is understood as being effected to the place and on the date agreed to the sites, factories or warehouses specified by the company LACAZE ENERGIES, and all risks relating to the equipment sold pass to the charge of the buyer:

- from dispatch, if the equipment is shipped without prior notice;
- if this is not the case, from when the buyer was advised that the equipment was at his disposal.

In the case when reception of the equipment was agreed at the time of ordering, the delivery time is extended to 8 days following notification of the equipment being ready for reception. The principle of delivery to factories or warehouses specified by the seller will not be subject to dispensation by remarks such as, for example, delivery to railway station, private road, platform, place of residence, installation on site included, etc., which can not be considered as other than remarks on the agreed order without changes in responsibility. The company LACAZE ENERGIES acts only on behalf of and at the instruction of the buyer. If the delivery is delayed because of the buyer, the equipment may be stored or handled by or with the consent of the buyer at their expense and risk. No change in payment delays or warranty can result. The buyer will, at his expense, verify the conformity of the supplied goods to the terms of the order; incomplete deliveries must be notified to our customer services on reception of goods.

TOLERANCES AND WARRANTIES

Our equipment is executed with the usual tolerances in dimensions, capacity and thicknesses. The warranty takes effect on the day of delivery of the equipment. This is guaranteed against all vices resulting from a material or execution defect. The tanks and bodies of appliances are guaranteed against perforation, under the reserve that current maintenance, and in particular the replacement of magnesium anodes before complete wear, is carried out. During the period of warranty, the guarantees of the company LACAZE ENERGIES are strictly limited to the supply of their goods and cannot have other responsibility than the repair or replacement, in the factory at Leyme, of all parts rendered unserviceable as a result of a defect or vice. The company LACAZE ENERGIES reserves the right to modify the equipment in order to satisfy the warranties, or to replace the faulty parts which have been returned to their factory at Leyme.

The buyer undertakes, on the other hand, not to claim any indemnity, of any kind and for any cause, or any bill of repair, from the company LACAZE ENERGIES. The parts replaced without charge remain the property of the seller. The warranty does not apply to replacements, or to repairs which may result from the wear and tear of the equipment, or from disregard of rules detailed in our technical documentation 60.1, and recommendations of the national syndicate of heating users, from deterioration resulting notably from the presence of deposits (scaling or other), or from accidents as a result of negligence, absence of surveillance and maintenance or faulty installation of the equipment. In general, the non respect of recommendations which figures in our Instructions for Maintenance and Use supplied with the appliances may lead to the cancellation of the warranty. Except for specific conditions stipulated on the reception of the order, the duration of warranty is that indicated in the technical commercial notice relative to the appliance sold or by default, fixed at one year.

The repair, replacement or modification of the parts during the period of warranty cannot have as effect the prolongation of the period of warranty. If it was agreed in advance, the pre-payment cannot exceed 5% of the price of the equipment concerned, or duration of 12 months from the date of delivery. This warranty must be covered by the remittance of a bank deposit, which obliges the client to pay the total of his debt.

PRICES AND REVISIONS OF PRICES

Our prices (excluding tax) are:

- Ex. factory, unpacked, unless as otherwise agreed and confirmed on our recorded order confirmations;
- Delivered and assembled for equipment delivered in parts being the object of an in situ construction and confirmed as such.

If not stipulated to the contrary, all deliveries having a manufacture lead time are invoiced at the basic price agreed on the order, revised if necessary on the date of actual delivery, either as result of legal dispositions in force, if the equipment concerned is subject to such dispositions, or by application of an agreed price revision formula figuring on the proposal. The delivery time taken into consideration for the revision is the real execution time and not the time given as a rough guide at the establishment of the offer. In no case can the accounts be considered as blocked values, and the revision will affect the total order price.

CONDITIONS OF PAYMENT

Unless otherwise agreed by both parties in writing, payments are net and without discount, due 30 days following delivery. All manufacture "HORS SERIES" (non standard orders) is accompanied, in case of firm order, by an amount of 50 % of the quotation. In the case of cancellation, this provisional payment becomes the property of the company LACAZE ENERGIES to compensate for expenses of raw materials and implementation. In the case of a delay in payment on the established dates, the sums will bear interest based on the rate of interest of the Bank of France increased by 2 %, this clause being without prejudice for the payability of the debt. Expenses for the return of goods are always paid by the buyer. The terms of payment cannot be delayed under any pretext, even contentious. In the case of sale, cession, lodgement as collateral or contribution of business to the society or its equipment by the buyer, as well as in the case when payments are not made by the date due, the amounts in cause become due immediately, regardless of any previously convened terms of payment. Return of correctly delivered equipment can only be envisaged if it is part of a standard range of appliances figuring on the tariff in force at the date of the request. Otherwise, the equipment must not have suffered any damage, or have been connected up.

In case of agreement, the company LACAZE ENERGIES will establish an offer of return in advance, which will include the costs of transport and returning to stock.

We shall retain ownership of all goods sold until total payment of their price.

During the period of our title of ownership, the risks being transferred to the buyer at the moment of delivery of the goods, the buyer must insure the equipment against all risks of damage or of responsibility, caused by or sustained by him. The insurance policies must mention the right of ownership of our Establishment and can be terminated by the insurer only after ten days from giving us formal notice of executing us instead of the buyer.

In case of partial damage, the buyer must ensure the repair of the goods, at his expense. The insurance indemnities will be settled directly by the Company in the hands of the buyer following the written approval of the seller. In case of total loss, the buyer will ensure the replacement of the destroyed goods. The insurance indemnity will be settled by the Company in the hands of the buyer following our agreement which will be issued only on documentary evidence that the goods were replaced.

The buyer is obliged to immediately inform our Establishment of the seizure of equipment and to take all defending measures in order to make known our right of property.

All moving of equipment from its place of installation is forbidden.

We reserve the right, during the period of reserve of ownership, to effect any control regarding the respect of these stipulations at the premises of the buyer.

If the premises where the equipment is installed are rented by the buyer, he must inform the owner of the premises, by registered post with confirmation of reception, of our right of property.

The buyer can use the equipment during his normal activity; but its resale or transfer to a third party is expressly forbidden for whatever reason.

In the case of total or partial non-payment of any instalment of the price, for whatever reason, we have the full right and without any other formality, to request the return of the sold equipment at the expense and risk of the buyer.

This return is not the equivalent of the cancellation of the sale. This will intervene eight days after a formal notice to pay, sent by registered letter with confirmation of reception stating that we intend to prevail ourselves of this cancellation, remains without effect.

Uniqueness of account: the company LACAZE ENERGIES transforms in articles of debit and credit all claims or debts resulting from operations with the client, the balance resulting after final compensation remaining the only one due.

The client is forbidden all illicit practices of debt or of automatic credit note and to bill to the company LACAZE ENERGIES any sum which has not been expressly recognised by them as their responsibility. The client is equally forbidden to resort to compensation of claims without prior agreement.

DELIVERY DATES - PENALTIES

Delivery dates are given as a rough guide. They commence from the moment of expedition of our confirmation of receipt and in the case of an account or of payment on order, from receipt of payment. A delay in delivery does not give the buyer either the right to cancel the order or to reclaim an indemnity for direct or indirect damages caused by the delay. The penalties for late delivery can be claimed only if there was a formal written agreement between the seller and the buyer on this subject. In this case, the amount of the penalty for late delivery may not be superior to 5% of the value before tax of the equipment concerned. In the absence of an agreement, the company LACAZE ENERGIES is not subject to any engagement and by consequence to any penalty for delay, such as:

- In the case when payment terms stipulated on ordering were not observed by the buyer;
- In the case when information or documents to be provided by the buyer did not arrive on the expected date (notably the approved plans in the case of a non standard order).

Finally, no sanction or penalty can be claimed when the delay stems from a case of emergency or events such as lock-out, strikes, epidemics, requisition, fire, floods, interdiction or retard in transportation, any other cause bringing about full or partial unemployment for the company LACAZE ENERGIES or their suppliers; legal changes in work time table, or equipment accidents and rejects of important parts in the process of production duly noticed to the client or one of his representatives or any other independent event beyond the control of the seller and which were effectively brought to the attention of the buyer within 15 days of their occurrence. The payment for goods can not be postponed or modified because of penalties and no compensation to this effect will be made.

TRANSPORT - CUSTOMS - INSURANCE

Unless otherwise stipulated in writing, all transport, insurance, customs, granting, handling, operations concerning the goods are to the charge and at the expense, risk and danger of the buyer, whose obligation is to verify the expedition on arrival and

to exercise, if necessary, his own recourse against the transporters, (within a maximum delay of three days, by recorded letter with confirmation of reception, in conformity with article L 133-3 of the commercial code), even if the expedition was made 'franco'. In case of expedition by the company LACAZE ENERGIES, the expedition is made carriage forward at our tariff, except expressly demanded by the buyer and, in all cases, under his full responsibility. The weights indicated are only approximate, they cannot, in any case, be the cause of complaints or reductions. No cancellation of order by the buyer can take place without prior agreement of compensation.

CONTESTATION - JURISDICTION

All contestation will be taken to the Tribunal of CAHORS, which the seller and the buyer recognise as being exclusively competent by derogation to any contrary stipulation, even in case of appeal under warranty.