General conditions of sale

1. General

Unless otherwise stipulated in writing, these general conditions of sale (the "General Conditions") will apply to domestic and export sales agreed by Texxa® ("Texxa") with any professional buyer. The General Conditions will be systematically provided to each customer so that it can place orders either through Texxa itself or through its sales agents, and will be deemed to have been accepted only after being confirmed in writing. Any deterioration in the credit position of a customer, and will exclude any other documents originating from the customer, such as its general conditions of purchase, or from one of its subsidiaries or branches or from its representative. In consequence, the General Conditions will annul and supersede all oral and written agreements as well as any exchange of correspondence that may have taken place before the order. The fact that Texxa® has not yet availed itself of any of these General Conditions may not be construed as a waiver of its right to avail itself of any of the conditions at a later date.

2. Offers and orders

In the name of Texxa® be committed by offers of supplies featuring in its publicity documents, including those on its website, these being for guidance only. Texxa® will be bound by offers taken by its agents, representatives, or any other person who has confirmed Texxa® writing any deterioration in the customer's credit position may justify guarantees being required both before the closing out the orders received and thereafter if the credits are carried out only in part. In particular, if the amount of the customer's order(s) exceeds the total amount of credit covered by Texxa®'s credit insurer for that customer, Texxa®'s acceptance of any order not subsequently fully covered by its credit insurer will be conditional on payment being made before delivery. In addition, Texxa® reserves the right to cancel an order if it considers that the customer's financial situation might prevent it from making payment within the agreed terms. In such a case, Texxa® will return any advance payments that may have been made.

3. Prices

Subject to any special condition to the contrary, prices will be deemed to be net of all discounts, will exclude tax and will be for delivery ex-Texxa®'s works, and will be calculated on the basis of the price list in force at the time of the date of receipt of the order, which will also determine the discount terms applicable.

Charges will be subject to periodical revision and will be notified to the customer merely upon request, but no later than at the time of the order. An advance payment of 30% of the total price will be payable at the time of the order for the manufacturing process to begin. If the advance payment is non-payable by the customer, subject to any special condition to the contrary. Any tax, duties, fees or other charges payable pursuant to current laws and regulations will be borne by the customer. In the case of an international sale concluded with a customer located outside French national territory, prices will be deemed to be EX WORKS ( ICC Incoterms 2000), subject to any special condition to the contrary.

4. Payment of invoices

Invoices will be denounced in euros and payable at thirty (30) days from the end of the month calculated from the date of invoicing, subject to any special condition specifying a shorter term payment. A discount of 1% of the net total price excluding tax will be granted for advance payment before delivery of the products to the customer, in several cases of payment of 10% of the invoice. Payment will be forwarded to the place designated by Texxa® and, failing such designation, to its registered office. Any delay in payment will automatically lead to the payment of interest at the rate of 12% per annum, with effect from the day following the payment date stated in the invoice, without limiting the right of Texxa® to claim for additional damages.

In addition, any customer which has failed to pay any invoice which will automatically be liable to pay recovery costs to Texxa®, equal to an amount stated in French regulations (décret), without limiting the right of Texxa® to claim for additional damages.

5. Delivery, transport, transfer of risks

Delivery times are merely indicative, and in the event of failure to deliver within the period set out in the order, the customer being so notified by any means, unless otherwise agreed under specific conditions. International sales concluded with a customer located outside French national territory will be regulated in accordance with the ICC EX WORKS Incoterms (ICC Incoterms 2000), unless otherwise agreed under specific conditions. In consequence, for all sales, risks will be transferred to the customer at the moment the products are made available to the customer in Texxa®'s facilities, unless otherwise agreed. The transfer of risks will trigger the transfer to such customer of title to the product. If any product remains in the facilities of Texxa® for a certain period after the physical delivery date agreed with the customer, any damage to the product related to the retention thereof shall be exclusively borne by such customer, whereas Texxa® shall not be liable therefor, and the product shall not be cancellable or terminable on such ground.

6. Acceptance

On delivery of the products by the carrier, the customer will take immediate steps to conduct any verification required, recording any reservations in the carrier's receipt. In case of delivery of products by a commercial code, the customer shall notify the carrier of any loss or damage by registered letter with advice of receipt within a period of three (3) days from delivery by the carrier. The customer shall take all the customary precautions against such loss or damage. Furthermore, any claim by the customer should be made against the carrier, which is the sole party liable both for damage incurred by the products during their transport and for any defects arising therefrom (including in the event that such carrier was hired or recommended by Texxa®).

No return will be accepted without Texxa®'s prior formal agreement. This agreement may only cover products manufactured less than two (2) weeks prior to the date of receipt, in their complete original packaging, in a suitable condition for resale and no later than 7 days after the date when the return has been agreed with Texxa®.

7. Warranty, liability

The customer is required to conduct a thorough inspection of any existing product to identify any fatigue existing default or the non-compliance of such product. If no written reservations are delivered to Texxa® within a period of 10 days from the delivery of the products, the customer shall be deemed to have taken possession of the products and that the products are compliant. By way of derogation, in the case of flexible coverings, acceptance will take place once the third "roll" has been installed. In cases of non-compliance recognized by Texxa®, non-compliant products will be replaced or refunded, at the choice of Texxa®. Texxa®, in respect of its warranty obligation for latent defects is expressly limited to the reimbursement or replacement of the defective products, and will exclude or limit any other liability. Texxa®'s warranty is limited to a period of 6 months from the physical delivery of the products. Any claim for latent defect (which has not been identified in the course of the initial inspection that the customer is required to conduct at delivery) shall only validly be made in writing addressed to Texxa® no later than 20 days from the date when such defect was discovered, and deemed to have been invalid. The replacement of any defective product will not increase the time period for which the warranty of Texxa® was initially granted.

The warranty of Texxa® is expressly excluded in the event of misuse, negligence or failure to properly maintain a product, by the customer, as well as in the case of non-use, wear and tear or force majeure. In addition, in any event, Texxa®'s liability is expressly excluded for any damage that the products may cause to any asset of the customer which are used by such customer for professional purposes, and for any indirect or immaterial damages, or any loss of profit or business, or any other similar damages.

In any event, Texxa®'s liability is expressly excluded for any consequences that might ensue, in respect of either the customer's choice of products or their intended purpose, of which the customer, in his capacity as a professional, is the sole arbiter.

8. Retention of title

Becoming payable the ownership of products sold by Texxa® will expressly be delayed until such time as their full price, in capital and in incidental charges, has been collected. Texxa® will be authorized to reclaim all the products of the same type as those that have been delivered to the customer by Texxa® over the past twelve months and are in the customer's possession, to a value assessed on the basis of Texxa®'s current price list, equivalent to the amounts outstanding between the parties on any grounds whatsoever. The customer may not dispose of the products in any manner whatsoever, either by assigning full ownership or by pledging them as security, up to the time of full payment of the amounts due by the customer under the contract required to cover the products. If, however, the customer resells the products before full payment is made, it will undertake to acquire any sub-purchaser of the products and to settle any proceedings in which Texxa® might incur liability. It will be expressly limited to the value of the products concerned. The technical support information provided by Texxa® pursuant to its advisory services will not be sold or transferred, for any consequences that might ensue, in respect of either the customer's choice of products or their intended purpose, of which the customer, in his capacity as a professional, is the sole arbiter.

9. Termination

If the customer has not paid within fifteen days of a formal demand addressed to the customer by registered letter with advice of receipt, the sale may be terminated by Texxa® as of right and the products delivered shall be returned, notwithstanding any claim by Texxa® on the grounds of deterioration or undue wear and tear. The advance payments received by Texxa® will not be returned and pending deliveries may be suspended. The termination may apply not only to the order in question, but also to all previous unpaid orders, whether or not their payment has fallen due and whether they have been delivered or are in the process of delivery.

10. Choice of law and jurisdiction clause

The French law shall apply to any dispute arising between Texxa® and its customers governed by French law, unless otherwise agreed. In the absence of amicable settlement, any dispute arising between the parties shall be submitted to the jurisdiction of the Com- mercial Court of Bordeaux, even in the event of proceedings against the guarantor or if there is more than one defendant.