

## GENERAL TERMS AND CONDITIONS OF SALE

- 1) The placing of an order implies full and unreserved acceptance by the purchaser of our General Terms and Conditions of Sale, to the exclusion of any other document issued by Nath. Johnston & Fils (the 'Company'), which only has indicative value. Unless expressly and formally accepted in writing by the Company, no special terms of purchase may prevail over our General Terms and Conditions of Sale. The present General Terms and Conditions of Sale may be amended at any moment by the Company without warning.
- 2) Any sales processed by our agents shall only become definitive after acceptance and invoicing of the order by Bordeaux Headquarters.
- 3) The goods are shipped carriage due at the risks and perils of the consignee. Exceptionally and after formal agreement from the Company, shipments may be granted carriage paid. No claim for breakage or missing items shall be admitted unless they have been duly observed and noted on the delivery note by the carrier.
- 4) Unless otherwise agreed and under the conditions provided in article L. 441-6 of the French Commercial Code, the goods are to be paid for net, in accordance with the terms of the tariff in force, without any discount or premium of any kind, within a period of 30 days from the invoice date.
- 5) Any amount unpaid at the due-payment date indicated in the invoice shall result, without any formal notification, in the imposition of interest payments at the European Central Bank rate plus 10 points, calculated on the total outstanding amount.
- 6) Failure by the purchaser to fulfill any of his obligations, notably failure to settle a payment, shall make the full amount of the debt immediately payable and shall lead to application of a penalty of 15% of the total debt due as remedy for the prejudice suffered by the Company. **Without prejudice to the application of this penalty, the Company, as well as applying the provisions of article 1657 of the French Civil Code, may choose to demand enforcement of the contract or resolution of the contract after a formal summons to execute has remained without effect for 15 days.**
- 7) The Bordeaux Business Tribunal is solely competent to take cognizance of all disputes that may arise between the Company and its clients, even in the event of more than one defendant or the introduction of third parties. The sales described in the present conditions are expressly governed by French law.
- 8) **It is expressly agreed that the Company shall conserve proprietorship of the goods sold until effective payment of the principal and interests. These provisions shall not prevent the transfer to the purchaser of the risks of loss or damage of the goods sold, or of the damages they may cause. Failure to settle any one of the payments may result in the goods being claimed back. Additionally, the purchaser may not grant any right to delivered and unpaid goods, and notably may not pledge or cede as guarantee ownership of the goods. The purchaser shall inform the Company without delay of all measures taken by third parties affecting possession of the said goods, in order to allow the Company to oppose such action and to protect its rights.**
- 9) The purchaser accepts the irrevocable obligation to assign as security any wine sold by the Company to the purchaser and which has become his property, in order to guarantee any amount owed to the Company under any sale contract existing between the Company and the purchaser and which may cover the same wine or other wines of any vintage whatsoever. With the purpose of satisfying this obligation, the purchaser hereby irrevocably declares that he assigns as security to the benefit of the Company, in accordance with article L. 521-1 and following of the French Commercial Code, the wine which has become his property further to any contract between the Company and the purchaser and relating to wine of any kind. The present undertaking by the purchaser is a determining condition for the Company's commitment to sell. Additionally it is expressly agreed that the purchaser and the Company consider that all the sale contracts that may exist between them are related and that the Company's right of lien may be exercised on all the wines belonging to the purchaser.
- 10) The Company guarantees the good quality of its products, but its liability may not extend beyond pure and simple replacement of faulty goods.
- 11) The delivery lead times given by agents are indicative only and cannot be formally guaranteed. Deliveries take place as and when orders arrive at our cellars, and the loading and shipping dates cannot be guaranteed.
- 12) Any obligation of the Company shall be suspended in the event of force majeure, and notably in case of reductions or stoppages in production, supplies, or communication or transport means.
- 13) The carrier is deemed to be released once the goods have been delivered against a signed receipt to the consignee or to any person acting as consignee's representative. The goods may not be deposited without the signature of the consignee or his representative.
- 14) No claim for breakage or missing items shall be admitted unless they have been duly observed and noted on the delivery note by the carrier.
- 15) Payments by cheque, commercial bill or any other method of payment shall not result in exemption from the clause assigning jurisdiction.
- 16) Cash payments: only cash payments made to the Company's cash book are legal tender. It is strictly prohibited to receive the cash equivalent of an invoice.
- 17) Cheques made out to the Company may not be considered legal tender until they have been cashed by the Company.