

TERMS AND CONDITIONS OF SALE of DOMAINE du PEGAU EARL - FRANCE & EXPORT

DOMAINE du PEGAU EARL, 15 Avenue IMPERIALE, 84230 Châteauneuf-du-Pape, France

Hereinafter referred to as DOMAINE du PEGAU

All our sales are subject to the present Terms and Conditions of Sale, which form an integral part of our offers; they prevail over all conditions of purchase, unless a formal and express exception is made by us. Any order implies acceptance of the Terms and Conditions of Sale defined below. Pure and simple acceptance of our proposals carries with it ipso jure acceptance of these Terms and Conditions. They may be complemented by special conditions specific to an order. In the event of a contradiction between these Terms and Conditions and the special conditions, the latter shall prevail for any contentious issues.

ARTICLE I - OFFER

The quotations prepared by DOMAINE du PEGAU EARL are valid for three months from their date of issue, within the limit of available stock. After that time, they may be changed by DOMAINE du PEGAU EARL, according to prevailing economic conditions. Any quotation prepared by DOMAINE du PEGAU EARL constitutes the special terms that modify and/or complement the present Terms and Conditions of Sale. The quotation prepared by DOMAINE du PEGAU EARL constitutes an offer. Any change to our offer by its addressee involving product type, price, time period, form of payment and/or delivery constitutes a counter-offer pursuant to article 19 of the Vienna Convention of 11 April 1980 and must be expressly approved by us. Our offers are "Ex works" (Incoterm 2000) unless expressly stated otherwise in our offers.

ARTICLE II - ORDERS

In the event that an order is received from the Buyer, the contract shall not be valid until the order has been confirmed in writing by DOMAINE DU PEGAU EARL. The Buyer's order must be signed and include either the special terms described when the quotation is prepared, or the conditions of the DOMAINE DU PEGAU EARL price list in effect on the date of the order.

Any change made by DOMAINE du PEGAU EARL to the terms of the Buyer's order constitutes a new offer. No subsequent change or cancellation can be made without the express written consent of DOMAINE du PEGAU EARL.

In all cases DOMAINE du PEGAU EARL reserves the right to bill the total amount of the order. DOMAINE du PEGAU EARL expressly informs the Buyer that the latter is responsible for verifying the qualitative and quantitative conformity of the products with the requirements of its clients.

ARTICLE III - PRICES

III – I/ PRICE DETERMINATION: Unless otherwise specified:

- Prices are exclusive of tax; they include: supply of the products, fixed expenses and operating costs of DOMAINE du PEGAU EARL.

- Export sales: our prices are Ex works France (cf. INCOTERMS 2000 of the International Chamber of Commerce) – They do not include: Customs duties/costs, costs relating to transport, loading and unloading, forwarding by container or other mode of storage to the destination port, duties and taxes payable upon export, customs duties/costs and any indirect charges in effect at the time of sale, and any other costs of any kind that may be payable outside of France are excluded, subject to special provisions indicated in a specific, quantified proposal by DOMAINE DU PEGAU EARL duly accepted by both parties in writing separately from the initial order.

- Prices and the payment currency are indicated in euros (€).

Invoices are subject to VAT on the before-tax prices, at the rate in effect at the time of billing. Products for export are exempt from VAT pursuant to article 262 ter of the General Tax Code (CGI).

III – II/ PRICE REVISION: The products' unit prices have been calculated using parameters relating both to the economic conditions and the labour legislation in force when the proposal was prepared. Any significant change in the economic data and/or legislation, taxes and duties relating to the export of food products, wine products and the transport industry shall entail a de facto re-evaluation of the unit prices for the order or the price list in effect on the date when these new parameters, whether economic or legislative, were effectively applied. In any case, price-list prices shall be revised on the first day of January of each year.

II – III/ PAYMENT TERMS: 1 / Unless otherwise agreed, invoices are presented before or when the goods are shipped, as agreed between the parties. They are payable in France no later than 45 days from the end of the month following their issue date, or 45 days from the invoice issue date, by bank transfer, cashier's cheque (pursuant to the Economic Modernisation Act 2008-776 of 04/08/2008), remote payment terminal or payment card (bank card, credit card, etc.).

2 / If one payment is not made, the other payments shall immediately become due, even if they have given rise to the issue of a bill of exchange. In addition, as penalty and pursuant to the EMA of 4 August 2008, the Buyer shall owe, ipso jure, a late-payment penalty, calculated by application to all amounts remaining due, at the interest rate applied by the ECN plus 10 points (or to three times the legal interest rate). In any case, failure to pay any invoice when due, being understood as serious non-performance by the Buyer of its obligations, shall entitle DOMAINE du PEGAU EARL to immediately suspend any planned delivery and, in the event of legal collection, to demand compensation for damages in accordance with the terms of article 1152 of the Civil Code.

3) Any amount paid after acceptance of these Terms and Conditions and until expiry of the period of time specified in the preceding section shall be considered a payment on account and shall not carry with it any right of credit.

4) Special case: for export sales when the distances involved in forwarding the goods increase delivery times, we grant terms of payment up to a maximum of 120 days. This will be negotiated on an exceptional and specific case-by-case basis and confirmed in writing by both parties.

ARTICLE IV – OBLIGATIONS

IV – I/ DOMAINE du PEGAU EARL's OBLIGATIONS:

- Supply of products conforming to the order.
- Placement of secondary labels on products and packaging at the Buyer's express request accepted by DOMAINE du PEGAU EARL.

IV – II/ BUYER'S OBLIGATIONS:

- Supply in good time of the secondary labels to be applied to products and packaging as agreed between the parties.
- Acceptance of the goods, payment of import duties and taxes within 48 hours after arrival at the destination port.
- Samples intended for tastings may not be sold.
- Storage of products before distribution under conditions of optimum quality.

ARTICLE V - DELIVERY

V – I/ DELIVERY TIME: Delivery times are exclusively those indicated on the order confirmations from DOMAINE du PEGAU EARL or by the latter's acceptance; the date of delivery or collection shall be specifically indicated on the order. Unless otherwise expressly agreed, delivery times are given indicatively and are not binding; if they are exceeded, the Buyer is not entitled to cancel the sale or refuse the products. Delayed delivery shall not give rise to withholding, compensation, penalties or damages; the Buyer expressly waives its right to invoke the provisions of article 1611 of the Civil Code. The Buyer is bound by the delivery date. If the date is postponed at the Buyer's behest and DOMAINE du PEGAU EARL agrees, the products shall be stored and handled at the Buyer's risk and expense, with no liability for DOMAINE du PEGAU EARL.

These provisions do not constitute any novation of the contract of sale: the Buyer remains bound by its obligation to pay.

Export: Delivery is made in packing suited to the means of transport and to the country's climate, ensuring adequate protection of the goods during transport and up to delivery

according to national or international recommendations concerning the packaging and marking of the products in question. It is the Buyer's responsibility when ordering to inform DOMAINE du PEGAU EARL of its country's regulatory provisions and its desires as to any specific packaging and/or marking. In the event that the requested additional marking or packaging incurs additional costs, the amount shall be added to the price set in our offers.

V-II / RESPONSIBILITIES: Although free shipping is granted for certain sales in France, the products, whether delivered by us or by a third party, always travel at the Buyer's risk and peril, and, in the event of apparent defects or missing product, it is the Buyer's responsibility to raise all necessary disputes, to check shipments upon their arrival and, where appropriate, to exercise any right of recovery against the carriers who are solely liable.

V – III/ BUYER'S INABILITY: If it results from an inability on the part of the Buyer or its employees, agents or subcontractors,

the refusal to take delivery shall be accepted by DOMAINE du PEGAU EARL only insofar as it has undertaken to do so. In all cases, DOMAINE du PEGAU EARL shall be entitled to bill to the Buyer all costs and/or indemnities borne by it by virtue of its undertakings vis-à-vis the producers.

V – IV / OTHERS: DOMAINE du PEGAU EARL informs the Buyer that sales are conditional upon the availability of the products from the producers. Consequently, non-availability of products from the producer and depletion of stocks are grounds for partial cancellation of the order.

ARTICLE VI – LIABILITY AND WARRANTY

DOMAINE du PEGAU EARL shall not be held liable for problems arising after the goods have been loaded for collection and not directly caused by it. As a wine's quality is partially dependent on subjective factors, when our clients submit an order they should be familiar with our wines and wines in general. The Buyer expressly waives the benefit of article 1587 of the Civil Code and accepts any deviation within the limits of the analytical standards of the selected wine; our undertaking is limited to the delivery of wines of fair market quality. In the event of error or hidden or acknowledged defect, our warranty consists of a simple exchange of the non-conforming wines or of a refund upon their return at our expense. Any notions of commercial or financial damages are excluded, so that in no case may our clients claim compensation for any reason, such as loss of use or enjoyment, commercial disruption, etc., without thereby disregarding the stipulations of the Law of 14 May 1998 on defective-product liability (transposition of EVC Directive of 25 July 1985).

ARTICLE VII - INSURANCE

Products always travel at the expense, risk and peril of the Buyer, who is responsible for taking out insurance guaranteeing the products against any damage that may occur during their shipping, unless otherwise agreed in advance and duly stipulated in writing by DOMAINE du PEGAU EARL.

DOMAINE du PEGAU EARL declares that it is insured for all damages occurring to goods up to the date of the loading of the goods at the time of their collection, which date is indicated in the order.

With regard to the conditions indicated in article IX, the Buyer declares that it is insured by a solvent company for all damages resulting from its being found liable after loading.

ARTICLE VIII - CHALLENGES

The Buyer is responsible for ensuring the conformity of the wines on the day of their delivery/collection as the case may be. The Buyer's absence on that day carries with it the acceptance called for at article VI. Any challenge as to the nature or quality of the goods must be reported to DOMAINE du PEGAU EARL by registered letter within 48 hours of receipt of the goods and finding of the facts, omissions and insufficiencies motivating this dispute, failing which it shall not be considered. The Buyer shall keep the wines giving rise to the challenge on its premises and available to DOMAINE du PEGAU EARL under normal wine-storage conditions. At the first request of DOMAINE du PEGAU EARL, it shall proceed to ship them back and, if the dispute persists, it shall be required to produce in support of its challenge a third-party claim prepared by a court-approved oenological expert, engaged at its expense in advance; DOMAINE du PEGAU EARL reserves every right to present a second expert opinion, including court-ordered. No return shall be accepted unless it has been agreed in advance by Le DOMAINE du PEGAU EARL.

ARTICLE IX – IPSO JURE TERMINATION

In the event that the Buyer fails to perform any one of its essential obligations, the contract shall be terminated ipso jure to the benefit of DOMAINE du PEGAU EARL without prejudice to damages that may be claimed by the defaulting party. Termination shall take effect 15 days after a notice to perform is sent by registered letter with confirmation of receipt having gone unanswered.

ARTICLE X – RESERVATION OF TITLE CLAUSE – TRANSFER OF RISKS AND OWNERSHIP

DOMAINE DU PEGAU EARL retains title to the goods sold until actual payment in full of the price in principal and ancillary costs, including any miscellaneous penalties and interest that may be owed to DOMAINE du PEGAU EARL. The delivery of a bill of exchange or other instrument establishing an obligation to pay does not constitute payment under this clause. Failure to make any payment when due shall lead to recovery of the goods.

These provisions do not preclude transfer to the Buyer, upon collection, of the risks of loss and deterioration of the goods sold, as well as of the damages they may occasion.

For all export sales, the risks of loss or damage likely to affect the products sold or be caused by said products shall be transferred to the Buyer according to INCOTERMS 2000 – “Ex-Works” (Ex-Cellars) as cited above. The Buyer is therefore required to insure the products as soon as the risks have been transferred to it. It must also store these products separately so as to allow their identification in the event they are audited or recovered by DOMAINE du PEGAU EARL. Those products resold by the Buyer must be sold on behalf of DOMAINE du PEGAU EARL; the receivables resulting from this resale belong ipso jure to the latter.

ARTICLE XI - FORCE MAJEURE

If, in the wake of unforeseeable circumstances or force majeure, DOMAINE du PEGAU EARL should be forced to interrupt its deliveries, execution of the present contract would be suspended ipso jure for the necessary period of time, without compensation or damages, in accordance with article 1148 of the Civil Code. Any event meeting the legal definition of force majeure or unforeseen circumstances shall be considered such; in particular, in particular, under the present Terms and Conditions of Sale, and without this list being exhaustive, the following shall be considered as force majeure: wars or coordinated actions by the personnel of the producers or subcontractors; riots, epidemics, acts of terrorism; the complete or partial interruption or slowdown of transport; lack of raw materials; impediments resulting from orders issued by the authorities concerning imports, currency exchange or domestic economic regulation incidents and accidents of any kind leading to the complete or partial unemployment of the producers' personnel. Force majeure does not suspend payment for goods already delivered. For the debtor, force majeure excludes all late-payment penalties and other damages and interest.

ARTICLE XII – DISPUTES The contract is governed by French law. In the absence of amicable settlement, the parties agree that any dispute relating to the interpretation or fulfilment of an order according to these Terms and Conditions shall fall within the exclusive jurisdictional competence of the commercial court of the site of the registered office of DOMAINE du PEGAU EARL. The latter reserves the right to make the effectiveness of the contract conditional on all administrative and financial conditions it may deem necessary.

ARTICLE XIII – ENTRY INTO FORCE Unless otherwise stipulated, the contract enters into force on the date on which the written acceptance cited in Article II is received. However, the contract's entry into force may be made conditional, as the case may be, on the necessary administrative authorisations, the payment of a deposit on the order, the institution of a contractual guarantee (bank bond, opening of a documentary credit, etc.), or cumulatively on several of these conditions.

ARTICLE XIV – FINAL PROVISIONS The present Terms and Conditions of Sale may be amended only with the written consent of both parties. They are considered approved by the Buyer if it does not challenge them in writing according to the procedure described in the preamble to these Terms and Conditions. These Terms and Conditions of Sale are written in French, *English and Chinese*. In the event of a dispute regarding the Terms and Conditions of Sale in English and Chinese, the Terms and Conditions of Sale in French prevail over the other two.