

GENERAL TERMS AND CONDITIONS OF SALE¹

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Translation for information purposes only.

CONTENTS

	Page
1. Scope of application	2
2. Applicable law and jurisdiction	3
3. Contract preliminaries. Customer's duty to inform the Company	3
4. Contract formation. Non-cancellation by the Customer. Evidence	4
5. Extent of the obligations undertaken by the Companies	4
6. Non-assignment	5
7. Changes to legislation, regulations or technical standards	5
8. Quality of materials and equipment. Manufacturing standards	5
9. Price	5
10. Lead times	6
11. Transportation and access to the Company's site	6
12. Delivery and approval. Inventory status	7
13. Transfer of risk and ownership. Retention of title	8
14. Payment. Late payment. Plea of non-performance	8
15. Latent defects warranty	8
16. Disclaimer of liability. Minimisation of loss	9
17. Force majeure and unforeseeable events	10
18A. Withdrawal. Suspension of the contract	10
18B. Unilateral breach. Termination. Damages	11
19. Crisis in the timber market	12
20. Non-statutory consumer services	12
21. Business confidentiality	12
22. Respect for the distinctive signs and reputation of the Companies	13
23. Contractual term and renewal	13
24. Good faith and severability. Tolerance	13
25. List of Groupe François companies	14
26. Version history of these general terms and conditions of sale	14

¹ For purchases of goods or services made by Group companies, please refer to the general terms and conditions of purchase which can be downloaded from the website <http://www.gf-groupe.com/fr/conditions-generales>

1. Scope of application

1.1 These general terms and conditions apply to all sales of goods and services to businesses² (hereinafter “the Customer”) by the Groupe François companies listed in section 25 (hereinafter “the Company” or “the Companies”), except for the feeding-in of electricity to the grid. Any exemption herefrom shall be expressly granted.

In the event of assignment of a contract by the Company, these general terms and conditions shall be binding between the Customer and the assignee.

These general terms and conditions apply on an ancillary basis to sales of non-hazardous and non-toxic wood waste, which are governed by the special terms and conditions³.

1.2 The application of the Customer’s general terms and conditions, of any description, is always and in all respects excluded. If not mentioned in this document or in the specific contract, if any, ordinary law will apply.

1.3 Only the special terms and conditions contained in the quotation or order confirmation issued by the Company on its own letterhead, or the specific clauses inserted in a particular contract which has been specially negotiated, may take precedence over these general terms and conditions.

1.4 These general terms and conditions apply to orders and contracts from the day after they are published on the Groupe François website (<http://www.gf-groupe.com/fr/conditions-generales>). This date appears in the name of the pdf file, in the header and in the footer.

Any amendments hereto automatically apply to contracts in progress, except for provisions relating to the essential obligations thereof⁴. In particular, the following clauses may be amended unilaterally: 3, 4.3, 8.2, 11.3, 12.2, 14.2, 14.4, 17, 19, 20, 21, 22, 23 and 24.

The Groupe François, based in Virton, Belgium, stores successive versions of these general terms and conditions in paper format.

² The term “business” means any legal entity, including those governed by public law. It excludes natural persons acting outside the scope of their commercial, industrial, artisanal or professional activity.

³ These general terms and conditions can be downloaded from the website <http://www.gf-groupe.com/fr/conditions-generales>

⁴ The version history of these general terms and conditions can be found in section 26.

1.5 Without prejudice to the exemptions expressly stipulated herein⁵, to the extent permitted by the laws hereinafter referred to, the Companies are subject to the public policy or mandatory provisions of European Union law and the relevant national laws on consumer protection, product liability and consumer goods guarantees⁶.

2. Applicable law and jurisdiction

2.1 All sales of the Belgian, Luxembourg and French Companies of the Groupe François are subject to Belgian law. Any dispute in connection therewith will fall within the exclusive jurisdiction of the Tribunal de l'Entreprise de Liège (Liège Commercial Court), Arlon Division.

2.2 The Vienna Convention of 11 April 1980 on the International Sale of Goods does not apply.

3. Contract preliminaries. Customer's duty to inform the Company

3.1 Any information, presentation or data supplied by the Companies for information or advertising purposes – in any medium whatsoever, including on the internet – are always supplied in good faith and without the intention of misleading the reader. However, these are not binding on the Companies and have no contractual value.

3.2 The Customer is duty-bound in any case to inform the Company, in the most comprehensive manner and without limitation, of its exact requirements and to ensure that the products and/or services offered by the Company match those requirements.

The concept of "exact requirements" includes in particular the physical characteristics, dimensions, product size and volume, number of units, frequency of deliveries, need for a buffer stock, etc.

This obligation does not extend to the private standards which apply to certain products manufactured by the Companies and which the Companies undertake to comply with.

This obligation includes all confidential data and secrets specific to the Customer and knowledge of which is necessary for the Company to fulfil its obligations. The Company undertakes to observe the strictest confidence.

3.3 The Customer shall assess and anticipate the risks and difficulties of any kind that the Company may encounter in the performance of its services. The Customer undertakes to facilitate such performance to the maximum extent possible.

The Customer shall inform the Company of any special characteristics or specific information regarding its business, its organisation, the layout of its premises or any other specific aspect likely to affect the Company's fulfilment of its obligations.

⁵ See section 16.

⁶ See section 20 of these general terms and conditions on the non-statutory services offered to consumers.

3.4 Where it has been expressly agreed (see section 11.1) that the Company is responsible for transporting the goods sold, the Customer shall ensure that the Company is informed as fully and accurately as possible of the location and characteristics of the unloading site, such that no difficulties or delays arise. In particular, the Customer shall verify that the weight and size of the goods delivery vehicle to be used are supported by the infrastructure it will have to access.

4. Contract formation. Non-cancellation by the Customer. Evidence

4.1 The quotation prepared by the Company is only binding thereon for the period stipulated therein. Thereafter, the Customer's acceptance will only commit the Company to the extent that the Company agrees to same. This will also apply in the event of the Customer making any alteration, however small, to the Company's quotation.

4.2 Under no circumstances may the Customer change its order or withdraw from or cancel the contract, except with the Company's express and specific consent.

4.3 In order to be enforceable against the Company, all sales shall be recorded in writing by the Company. The same applies to any alteration to a completed sale.

Specifically, the drawings and illustrations, and in general all technical, physical or chemical data, are binding on the Company only if they have been expressly agreed in writing.

Unless otherwise defined by the applicable national law, "in writing" means a sequence of letters, characters, numerals or any other signs or symbols with intelligible meaning, irrespective of the medium.

4.4 The Customer is responsible for checking that the person it is dealing with has the power to commit the Company. The Customer may never rely on a purported apparent mandate given by the Company.

During the performance of the contract, the parties' agents shall document in writing any amendment or alteration thereto. Any such amendment or alteration may pertain only to ancillary matters or details. Otherwise, an addendum to the contract shall be drawn up or an amending order accepted.

5. Extent of the obligations undertaken by the Companies

The Companies shall always use their best efforts to perform their obligations. No complaint may be made against them for failing to achieve a particular result.

6. Non-assignment

Unless expressly agreed in advance, the Customer may not assign its rights or obligations to a third party.

In any event, any order in which the purchaser's true identity is concealed will be deemed null and void.

7. Changes to legislation, regulations or technical standards

The Company shall make every effort to adapt, during the performance of the contract, the goods or services sold to any changes to legislation, regulations or binding technical standards.

In such cases, the Company may unilaterally alter the agreed price to reflect the additional cost occasioned by such adaptation. However, the Company may still decide to terminate the contract, without compensation for the Customer.

8. Quality of materials and equipment. Manufacturing standards

8.1 The Companies shall always make every effort to use the best materials and equipment available at a normal price on the market.

No complaint may be brought against the Company for raising its prices during the course of the contract because a better component has been chosen, even if the one previously used is still available.

8.2 The products manufactured by the Companies are subject to the following standards:

- Energy: ENPlus® and DINPlus® for products sold under the BADGER Pellets® brand.
- Packaging: EPAL® for branded pallets.

Unless it is in breach of a prior and express agreement, no complaint may be brought against the Company for having failed to meet a different manufacturing standard.

9. Price

9.1 Prices are always expressed in euros excluding tax. They include standard packaging where applicable and are ex-works unless otherwise expressly agreed.

9.2 List prices are not binding on the Company. The prices contained in quotations or contracts are always itemised.

In subsequent service contracts and in framework contracts, list prices are binding on the Customer. This also applies where payment in advance is required, in whole or in part, on the basis of a pro forma document (see section 14.2). List prices are subject to the provisions contained in the following paragraphs.

9.3 The Company may increase the price at any time during the performance of a contract in proportion to the change in cost price. The same applies if the goods in

question are covered by a contract subject to seasonal adjustment (e.g. energy) or if the goods or their main components have a price that is customarily used as a reference by operators in the sector.

In any case, the Customer may ask to be sent objective data justifying the price increase. This information is subject to business confidentiality (see section 21.2).

9.4 In subsequent service contracts and framework contracts, each year on the anniversary date of the contract, the Company may raise the price by applying the formula: $(\text{base price} \times \text{new index}) / \text{original index}$. Base prices are those contained in the first invoice issued under the relevant contract. The original index is the consumer price index for the month preceding the invoice. The new index is that of the month preceding the anniversary date of the contract.

10. Lead times

10.1 The Company shall use its best efforts to perform the order or service within the time agreed or communicated by Customer Service, or otherwise within an appropriate timeframe.

In any event, the Company may suspend the agreed lead time in writing with a reasoned explanation of the change in circumstances beyond its control.

10.2 In the event of delay and unless the lead time is suspended in accordance with the second paragraph of section 10.1, the Company shall owe the Customer, per day of delay, compensation capped at 0.05% (zero point zero five percent) of the overdue part of the order, excluding VAT, subject to a maximum of 1% (one percent) of this amount regardless of the duration of the delay. Compensation is only due from the third day following a written reminder sent to the Company by the Customer. The Customer is still obliged to prove the existence and amount of the loss.

10.3 The Company is exempt from any liability for delay as soon as the goods have left its site, warehouses or factory, regardless of the carrier.

10.4 Except in the event of gross negligence or fraud on the part of the Company, the delay does not entitle the Customer to terminate the contract or to replace the Company with another supplier.

11. Transportation and access to the Company's site

11.1 Unless otherwise expressly agreed, the Company does not handle and is not responsible for transportation of the goods.

The goods are always transported at the risk and peril of the Customer.

11.2 The Customer is obliged to compensate the Company in full for any loss resulting from inadequate or inaccurate information provided under section 3.4. Except in the case

of gross negligence or fraud, the Company is exempt from any liability for damage due to the weight or size of the goods delivery vehicle (see section 3.4 *in fine*).

In the event of unsuccessful delivery through the fault of the Customer, the Customer will be liable for the return transportation costs and the goods will be deemed to have been delivered. The Company is exempt from any liability for the subsequent safekeeping of the goods. However, the Company may choose to return the goods that could not be delivered to its stock.

11.3 If the Customer requires access to the Company's site, warehouses or factory, it shall abide by the *Requirements relating to transport and site access and traffic* drawn up by the Groupe François⁷.

11.4 Unless a court finds it guilty of wrongdoing, gross negligence or fraud, the Company is exempt from all liability for any accident involving the Customer and its agents on any premises owned by the Company.

12. Delivery and approval. Inventory status

12.1 The delivery obligation is deemed satisfied either when the goods leave the Company's site, warehouses or factory, or when the Company has notified the Customer in writing of their availability.

The Customer shall inform the Company that it has not received the dispatched goods by email on the same day, failing which its rights will be forfeit.

12.2 In any case, the Company may make a partial delivery when the objective circumstances warrant it, including the inventory status of the product concerned. The Customer shall facilitate and adapt to this solution.

In the event of partial delivery, the Company may waive delivery of the rest of the order, without compensation to the Customer. In the event of payment in advance, a credit note will be issued.

The Company makes no warranties as to the condition of its inventory or its ability to fulfil subsequent orders under a framework contract. It has sole control over its inventory and the management thereof in relation to the trademarks or trade names at its disposal. No one may require it to account for its choices. In any event, the Company is exempt from any liability for the consequences of any refusal of delivery.

The reseller Customer acknowledges that building up a speculative stock amounts to wrongful disruption to the distribution of the product concerned.

12.3 The Customer has forty-eight hours to submit a complaint regarding the non-conformity of the delivery or visible defects. The complaint shall be made by email and

⁷ These requirements can be downloaded from the website <http://www.gf-groupe.com/fr/conditions-generales>

confirmed by registered letter. The period commences on the date on which the Customer effectively takes possession and expires no later than eight days after delivery.

If the defect or non-conformity is substantiated, the remedy is strictly limited to a refund of the price of the faulty goods or their replacement, as the Company sees fit. In the event of a refund, the Customer is responsible for the faulty goods. No other loss shall be borne by the Company.

12.4 In the absence of technical data included in the contract (see section 3.1), the delivery of the standard product best corresponding to the information provided is always deemed conform.

12.5 In works contracts, there is always a single delivery. No warranty period is enforceable against the Company.

13. Transfer of risk and ownership. Retention of title

13.1 The transfer of risks to the Customer takes place upon delivery.

13.2 The transfer of title occurs upon payment in full of the price. The goods sold therefore remain the property of the Company until that time.

14. Payment. Late payment. Plea of non-performance

14.1 All invoices are payable immediately by payment into one of the bank accounts mentioned in the document. Payment by cheque will not be accepted.

In any case, any payment terms unilaterally granted by the Company may be withdrawn at any time in writing by the Company.

14.2 The Company may at any time and at its discretion require a progress payment, or even payment in full for the order, before supplying the goods. In the latter case, a pro forma invoice will be issued. This is payable as soon as it is sent by email. In the event of late payment, the Company is entitled to apply the second paragraph of section 9.2 and section 9.3.

14.3 In the event of late payment of a sum of money, the Customer will be liable, automatically and without further notice, with effect from the due date, for the default interest stipulated in Article 5 of the Belgian law of 2 August 2002 on combating late payment in commercial transactions.

14.4 In the event of failure to pay a sum of money when due, the Customer will be liable, automatically and without further notice, for flat-rate compensation of 10% (ten percent) of the unpaid amount, subject to a minimum of €500.

14.5 The plea of non-performance may never be entered against the Company.

15. Latent defects warranty

15.1 The goods sold are guaranteed for six months from delivery.

The warranty will cease to have effect if the goods sold are modified, combined or incorporated into other goods or are used for a purpose other than the one for which they were designed.

15.2 Any action to enforce a warranty shall be brought within fifteen days of discovery of the defect.

15.3 The choice between repairing or replacing the faulty goods lies exclusively with the Company.

The compensation for any loss caused by the faulty goods is capped at €1,000 (one thousand euros) per claim, the Customer still being obliged to prove the existence and amount of its loss.

15.4 The Customer shall hold the Company harmless from any recourse against it by the end user on the grounds of its product liability. The same applies to any recourse by a third party exceeding the compensation limit stipulated in the preceding paragraph.

16. Disclaimer of liability. Minimisation of loss

16.1 Without prejudice to the provisions contained in certain sections of these general terms and conditions and unless specific clauses are inserted in a particular contract which has been specially negotiated, the Company is generally exempt from any liability, including in the case of gross negligence. However, this stipulation does not release the Company from having to satisfy, in a non-discretionary manner and in good faith, its essential contractual obligations, which remain unaffected by this clause.

16.2 The Company is exempt from any liability where the damage due to a product defect⁸ is caused jointly by such damage and the fault of the victim. In particular, the use of the product for a purpose for which it is not intended and any modification or alteration made to the product constitute a fault on the part of the victim. Specifically, pallets and crates are designed for professional handling and use. Horse bedding may only be used for that purpose.

16.3 The Companies accept no liability and may never be held accountable or prosecuted for the alleged non-conformity of their products with public statements⁹, regardless of the author, except in the case of direct sale to consumers.

16.4 The Companies accept no liability and may never be held accountable or prosecuted for damage caused through using the goods sold in a manner that is non-conform with the purpose for which they were designed.

⁸ Under Council Directive 85/374/EEC of 25 July 1985 on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products.

⁹ Under Article 2(2)(d) of Directive 1999/44/EC of the European Parliament and of the Council of 25 May 1999 on certain aspects of the sale of consumer goods and associated guarantees.

16.5 In the event that the Company is found liable, compensation for the damage is strictly limited to the potential replacement of the goods and an amount capped at €1,000 (one thousand euros) covering the loss other than the physical loss of the goods, the Customer still being obliged to prove the existence and amount of its loss.

16.6 In any event, the Company will not be liable for the loss to the extent that the Customer could have avoided or mitigated it by reasonable means.

17. Force majeure and unforeseeable events

17.1 Without prejudice to sections 18 and 19, the occurrence of a force majeure event entitles the Company to suspend or limit its deliveries or services. The Company shall inform the Customer in writing, providing a reasoned explanation.

The following in particular are considered a force majeure event: pandemic, epidemic, war and similar situations within a country's borders, riot, social unrest, blockade of transport routes, strike, government restrictions on imports or exports, embargo, accident of any kind even while in transit, unavailability of packaging or means of transport, shortage of products or raw materials, restrictions of any kind whatsoever occurring in the countries that produce the raw materials and/or the countries that buy the Company's products, and in general any event that limits the Company's ability to buy, sell, transport, unload, store, preserve or distribute the goods.

17.2 If the force majeure event makes it permanently impossible for the Company to perform its obligations, the Company will notify the Customer in writing stating the reasons for the termination of the contract.

17.3 If an unforeseeable event occurs that makes it more difficult or more onerous to perform one of the parties' obligations, the parties shall come together to adapt the contract in order to evenly distribute the mutual benefits again.

17.4 No sudden constraints, of any nature whatsoever, making it more difficult or onerous for the Customer to store, use or distribute the goods purchased or ordered, may be invoked at any time by the Customer as a force majeure event entitling the Customer to suspend or terminate the contract.

18A. Withdrawal. Suspension of the contract

18A.1 The Company may cancel a sale at any time, although not at an inopportune moment, without charge or compensation for the Customer.

This clause also applies to subsequent contracts and framework contracts.

18A.2 The Company may suspend the performance of an order or contract at any time on legitimate grounds by sending written notification with a reasoned explanation.

18B. Unilateral breach. Termination. Damages

18B.1 In subsequent service contracts and framework contracts, repeated late payment and/or delivery problems will entitle the Company to terminate the contract unilaterally at any time, without notice and without compensation for the Customer.

18B.2 Any unsatisfactory performance of an obligation by the Customer will entitle the Company to invoke the automatic termination of the contract.

Termination will take effect one month after formal notice is sent to the Customer by registered letter, specifying the alleged breaches and stating the Company's intention to enforce this clause if the Customer has not remedied said breaches in the intervening period.

18B.3 In the event of gross negligence on the part of the Customer, the Company may terminate with immediate effect, automatically and without prior notice any contract in progress, sending written notification with a reasoned explanation, without compensation for the Customer.

The following acts or omissions constitute gross negligence:

- a) the refusal, in bad faith, to receive or take delivery of the goods ordered;
- b) the infringement, unauthorised use of a distinctive sign and unauthorised use of the name of the Company;
- c) the failure to respond comprehensively to repeated and precise requests for information needed to fulfil an order;
- d) any act contrary to fair market practices committed to the detriment of the Company;
- e) any negligence, error or inaccuracy in the communication of information rendering the Company's performance of its obligations more onerous;
- f) failure to pay a pro forma invoice within the stipulated timeframe;
- g) any breach of business confidentiality.

18B.4 In the event of termination for breach of contract by the Customer, the Customer will owe the Company, by way of damages, the entire agreed price plus a minimum penalty of 10% (ten percent) thereof, without prejudice to the Company's right to obtain full compensation for its loss. In subsequent service contracts and framework contracts, the penalty will be calculated on the total amount invoiced from the effective date of the contract. In the event of non-payment of a pro forma invoice, the penalty is 10% (ten percent) of the unpaid amount, subject to a minimum of €500.

In the event of termination for fault of the Company, any damages owed by the Company will be capped at 10% (ten percent) of the agreed price or at 10% (ten percent) of the amount of the last invoice issued in the case of a subsequent service contract or framework contract.

18B.5 The provisions of the preceding six paragraphs (18A.1 to 18B.4) also apply to any existing or current business arrangement.

18B.6 If the Customer refuses to take delivery or to receive, in whole or in part, the goods ordered, the Company may conclude that the Customer is exercising its right of cancellation, thus requiring the Customer to pay compensation equal to 50% (fifty percent) of the total order price.

19. Crisis in the timber market

The occurrence of any event whatsoever beyond the control of the Company and the Customer which significantly disrupts the timber market, locally or regionally, or significantly affects the production costs or prices of the finished products (pallet or wood pellets for heating), will entitle the Company to terminate any subsequent service contract by sending written notification with a reasoned explanation with eight days' notice, without compensation for the Customer.

Without prejudice to the right of termination conferred by the preceding paragraph, the Company, having noted the occurrence of an event as described above, may, by sending written notification with a reasoned explanation, suspend its obligations immediately, in whole or in part, without the Customer's obligations being affected. In such an event, the Company may, for the duration of the crisis, charge a price commensurate with the prevailing market situation and adopt any practical measures to manage the crisis.

20. Non-statutory consumer services

20.1 The benefits and services offered to consumers as part of ongoing product quality control are commercial and are not legally binding on the Companies.

20.2 At no time may a person designated as a Customer hereunder take advantage of the benefits and services that the Company offers to consumers.

21. Business confidentiality

21.1 Notwithstanding section 1.1, the provisions of this clause apply to any person who has dealings with the Company, even if no order or contract is subsequently agreed.

21.2 Any person who, in the course of negotiating or performing a contract or placing an order, receives any information from the Company, undertakes to treat that information as confidential, unless the Company expressly agrees otherwise in advance.

This rule does not apply if the information in question has been disclosed previously by the Company or if its subject-matter is in the public domain.

22. Respect for the distinctive signs and reputation of the Companies

22.1 The Companies own the following trademarks: BADGER Pellets®, Horse Cover® and caleo BIOMASS CONTRACTING ®.

The Customer shall refrain from any action that might harm the image of those trademarks or the reputation of the products they cover. The Customer shall never remove the branding from such products.

The Customer shall be especially careful not to contribute, directly or indirectly, actively or passively, to the infringement of those trademarks, and not to practice, knowingly or otherwise, any form of passing off.

22.2 Unless otherwise expressly agreed, the Customer may not make use of the Company's distinctive signs, registered or otherwise, except as strictly necessary for the use for which the goods were purchased. The distribution or publication of a trademark on a website other than the Customer's website is subject to prior authorisation by the Company.

Unless expressly authorised, the Customer may not use the name of the Company or the Groupe François in its marketing, even on an individual or personal basis.

22.3 The Customer shall take care never to undermine or help to undermine the reputation of the Companies or the Groupe François.

Whatever may have transpired, at no time may the Customer disseminate, by any means whatsoever, any negative information about the Companies or their products, even if the facts themselves should be true.

23. Contractual term and renewal

Ordinary law shall always apply, unless a specific clause is inserted in a particular contract.

By way of derogation from the foregoing, a tacitly renewed contract has the same term as the original contract, unless, prior to the expiration of the original contract, the Company notifies the Customer in writing that the contract has a different or indefinite term.

24. Good faith and severability. Tolerance

24.1 Submission to these general terms and conditions is accepted in good faith by the Customer and the Company. Any contract shall be performed in good faith in accordance therewith.

Should a clause be declared null and void, the other provisions hereof will continue to bind the parties and, if necessary, will be adapted to give effect to their original financial intentions.

24.2 The fact that the Company abstains from requiring the performance of a legitimate obligation may not be construed as a waiver of the performance of that obligation, regardless of the duration of its abstention or tolerance.

25. List of Groupe François Companies

Paletterie François S.A., Z.I. Latour, 13/1, 6760 Virton, Belgium, company registration no. 0425.087.949

BadgerPellets S.A., Z.I. Latour, 13, 6760 Virton, Belgium, company registration no. 0676.443.059

Groupe François S.A. (formerly Recybois S.A.), Z.I. Latour, 13, 6760 Virton, Belgium, company registration no. 0464.376.018.

Woodenergy S.A., Route Zénobe Gramme 16, 4890 Thimister-Clermont, Belgium, company registration no. 0527.920.421

Woodlog S.A., Z.I. Latour 11, 6760 Virton, Belgium, company registration no. 0881.568.464

Genpack S.A., Z.I. Latour SN, 6760 Virton, Belgium, company registration no. 0475.387.991

Logico S.A., Route de Longwy 418, 4832 Rodange, Luxembourg, business registration no. 818 269 532

26. Version history of these general terms and conditions of sale

<i>Version</i>	<i>Amended sections</i>
Version of 15/06/2020	Original text