

GENERAL TERMS OF SALE AND DELIVERY BEST WOOL CARPETS B.V.

These general terms of sale and delivery have been deposited with the Chamber of Commerce for Oost Brabant in Eindhoven under number 17044891.

Article 1: General

- These general terms of sale and delivery apply to all quotations and agreements, issued respectively concluded by the private limited liability company Best Wool Carpets B.V., hereinafter called "seller" and another party.
- The general terms of sale and delivery concerned apply to all following quotations and agreements, issued respectively concluded with the same other party, irrespective of the fact whether they are related to or follow quotations or agreements already made or concluded.
- The applicability of general terms and conditions from the other party is expressly rejected, unless the parties have agreed otherwise in writing. If the general terms of parties apply simultaneously, then applies that when provisions from the general terms of seller and the other party are incompatible, the provisions from the terms of seller shall prevail.

Article 2: Quotations

- All quotations from seller are free of obligation unless they contain a term for acceptance. If a quotation contains an offer without obligation and this is accepted, seller has the right to recall the offer within two working days after receipt of the acceptance.
- The prices listed in a quotation are exclusive of VAT, unless agreed otherwise in writing.
- The prices listed in the quotation are based on delivery "ex works, unloaded, unpacked" in accordance with the meaning as laid down in the Incoterms 2000, unless agreed otherwise in writing.

Article 3: Price adaptation

- Seller reserves the right to increase the agreed prices if after three months after the conclusion of the agreement but before the time of its execution, changes in one or more cost price factors like among other things cost prices for raw materials, wages, transport costs, import duties and other taxes make this necessary.
- Seller shall inform the other party timely if and in as far as seller uses the right to apply price changes as meant above. If the price change leads to a price difference with the agreed price of more than ten per cent (10%), seller shall then at the written request of the other party dissolve the agreement without any compensation being owed.

Article 4: Delivery and Risk

- Delivery takes place in accordance with the conditions listed in the quotation or in the confirmation of the order.
- Unless expressly agreed otherwise, seller has the right to deliver the goods to be delivered by seller in phases (partial deliveries), for which purpose every delivery shall be invoiced separately.
- Seller reserves the usual tolerances with respect to quantities and technical details like measures, weights, colour (fastness), bowing, finish of the pile, shading and the like.
- Seller is entitled to deliver a maximum of 10% more or less than the quoted quantities. The quantity actually delivered is invoiced.
- The other party is obliged to take delivery of the purchased goods at the moment when they are delivered to the other party or at the moment when they are made available to the other party in accordance with the agreement. If the other party does not take delivery of the goods, does not take delivery in time or at the agreed location because the other party does not provide the necessary cooperation or because another impediment on the part of the other party occurs, the other party is legally in default and seller has the right to transport the goods from the place where and from the time when the delivery has to take place for the account and risk of the other party to a place to be determined by seller and store the goods there. Seller then has a right to compensation for the damage suffered by seller, including in any case storage costs. This compensation amounts to at least 15% of the net invoice amount, such without prejudice to the right to claim compensation for the surplus.
- If the other party does not take receipt of the goods within one month after they have been offered for delivery, seller is entitled to dissolve the agreement on the basis of which the delivery takes place, without judicial intervention and to sell the goods to be delivered to third parties or take them back. The related costs, loss of profits and/or any marginal losses on the goods shall be for the account and risk of the other party.
- The risk of loss, damage or whole or partial destruction of the goods to be delivered shall be for the account of the other party from the moment of the delivery.
- Quoted delivery times shall never be understood as firm dates, but are of an indicative nature, unless expressly agreed otherwise. If delivery does not take place in time, the other party must therefore declare seller in default in writing.

Article 5: Samples, models and examples

- If seller has made a model, specimen, sample, drawing, design or example and/or other data available to the other party, these have only been supplied for indication purposes and are of an indicative nature. The goods to be delivered can deviate from the model, specimen, sample, drawing, design or example.

Article 6: Retention of title

- The goods supplied by seller remain the property of seller until the other party has observed all following obligations from all agreements concluded with seller:
 - the consideration(s) relating to the good(s) delivered or to be delivered itself/themselves;
 - any claims on account of non-observance by the other party for one or more purchase agreements.

- Goods delivered by seller, which by virtue of section 1 fall under the retention of title, can only be resold or processed within the scope of normal business operations.
- If the other party does not observe its obligations or if there is reasonable fear that it shall not do this, seller is entitled to remove delivered goods or to have delivered goods removed that are subject to the title as meant in section 1 from the other party or third parties who keep the goods for the other party. The other party is obliged to provide all necessary cooperation for this purpose on penalty of a fine of 10% per day of what the other party owes.
- If third parties want to exercise or assert or want to have exercised or asserted any rights on the goods delivered under retention of title, the other party is obliged to inform seller about this forthwith.
- The other party commits itself to the following:
 - to insure and keep insured the goods delivered under retention of title against fire, explosion and water damage and against theft and to make the policy for this insurance immediately available to seller for inspection at the first request;
 - to pledge to seller all claims from the other party on insurers relating to the goods delivered under retention of title at the first request of seller in the way as prescribed in article 3:239 BW;
 - to pledge to seller the claims that the other party obtains on its customers when reselling goods delivered by seller under retention of title at the first request of seller in the way as prescribed in article 3:239 BW;
 - to mark the goods delivered under retention of title as the property of seller;
 - to cooperate in other ways in all reasonable measures that seller wants to implement to protect its title relating to the goods and that do not unreasonably hamper the other party in its normal business operations.

Article 7: Faults, term for complaints

- The other party must examine the purchased goods on delivery or have them examined. For that purpose the other party must in any case check whether the supplied goods conform to the agreement, namely:
 - whether the correct goods have been delivered;
 - whether the delivered goods conform to what has been agreed concerning quantity;
 - whether transport has caused damage to the goods if delivered otherwise than ex works, unloaded, unpacked, for which purpose damage caused in transit must be noted on the road waybill immediately.
- The other party must submit any complaints to seller at the latest within 14 days after receipt of the sold goods in writing, with an accurate statement of the nature of the complaints, failing which the other party shall be deemed to have unconditionally accepted the purchased goods. For deliveries of more than 750 m² of product in one (1) quality and in one (1) colour, the other party can submit a complaint within one (1) year after delivery, provided that the other party can satisfy to seller the probability that it has not been able to inspect the product earlier and provided that the goods have not already been cut or in any other way treated or processed or have been used, soiled or damaged by the other party.
- If the faults or shortcomings are inadmissible, the other party is only entitled to repair of the goods or supplement of the deficit. Seller may opt to replace the goods, or to dissolve the agreement in whole or in part against (partial) restitution of the delivered goods and against (partial) repayment of the purchase price, if repair causes difficulties, such to be exclusively decided by seller. The other party is only entitled to replacement if repair of the goods is not possible, such to be exclusively decided by seller.
- In case of complaints the other party must put the goods at the free disposal of seller or return them to seller at the first request.
- Complaints about the invoice must be submitted to seller within 14 days after the invoice date, failing which the invoice shall be deemed to have been approved.
- Slight deviations in quality, dimensions, colours, finish, shading and pile, which from a technical point of view cannot be prevented or which are generally allowed according to commercial practice, cannot afford grounds for complaints.
- Complaints do not give the other party the right to postpone payments, whilst compensation is expressly excluded.

Article 8: Guarantee

- Seller guarantees that the goods delivered by seller are free from manufacturing faults and faults in the material during a period of six months after delivery. Any liability for faults found afterwards is excluded.
- Faults that wholly or partly result from a method of processing prescribed by the other party or from a construction or manufacturing prescribed by the other party, or are wholly or partly caused by a supplier, advisor, subcontractor or auxiliary person prescribed by the other party, are not covered by the guarantee.
- Not covered by the guarantee are faults that can be wholly or partly traced back to:
 - incorrect handling, incompetent use or lack of carefulness by the other party;
 - changes that the other party, following buyer(s) in the production and marketing chain, consumers or third parties have made in the delivered goods, also including cutting, treatment or processing of the delivered goods;
 - improper storage by the other party, as a result of which the delivered goods are exposed to the effects of moisture, soiling, high and low temperatures or too prolonged storage;
 - wear that is excessive in view of the use that is made of the delivered goods as foreseeable by seller;
 - use, treatment or processing of the delivered goods other than in accordance with the guidelines and specifications supplied with the delivered goods or other than in accordance with the purpose for which the goods have been delivered.

- Indications of quality, structure, dimensions, colour and finish are only given by approximation and are only of an indicative nature. Deviations based on these indications are not of such a nature that they constitute non-conformity, provided that these deviations cannot be prevented technically and/or are usual and acceptable within the branch of industry.

Article 9: Liability

- For faults in delivered goods applies what has been prescribed for this matter in articles 7 and 8 of these terms. Any liability on the part of seller is limited by any provisions from articles 7 and 8.
- Seller is only liable towards the other party in the following way:
 - If goods show material, manufacturing or other faults or shortcomings that fall outside the usual tolerance as mentioned in articles 4.3 and 7.6, and liability on the part of seller for these faults or shortcomings has not been excluded, then the other party is only entitled to repair of the goods or supplementation of the deficit. Seller may opt to replace the goods if repair causes difficulties or is not possible, or dissolve the agreement in whole or in part against (partial) restitution of the delivered goods and against (partial) repayment of the purchase price, if repair and/or replacement causes difficulties or is not possible, such to be exclusively decided by seller. If the other party desires repair or replacement of faults or shortcomings and liability on the part of seller has not been excluded, then the other party must put the goods to be repaired or replaced at the free disposal of seller, without prejudice to the right of seller to appeal to the provisions above in this article. The other party can only return the goods after written consent from seller. If the other party returns the goods contrary to the above, the goods shall be held at the disposal of the other party for the account and risk of seller, without thus acknowledging any liability.
 - Any liability on the part of seller is in any case limited to an amount for which the liability insurance of seller entitles to payment as the occasion arises. If the liability insurance of seller in any case does not entitle to payment, the liability on the part of seller with respect to this is in any case limited to the invoice value concerning the agreed sale and/or delivery by seller.
 - Seller is never liable for any or all indirect costs and consequential damage and/or consequential loss, in any way connected with or caused by a fault or shortcoming in the performance of the agreement.
 - Seller is not liable when the shortcoming is the result of force majeure.
 - The limitations included in this article do not apply if the damage is the result of intent or gross negligence on the part of seller or its subordinates.

Article 10: (Intellectual) property rights

- Drawings, models, specimen, photographic images, samples, designs, patterns, colours, templates, materials and/or other examples are and remain the property of seller, unless agreed otherwise in writing, also if the other party has been charged costs for them and without written permission from seller they cannot be made available to third parties, made available for inspection, copied or used or communicated about by the other party. They must be returned forthwith to seller at the first request of seller. Seller's related intellectual property rights remain in full force.
- The other party guarantees to seller that the performance of the commission does not infringe upon any industrial or intellectual property rights from third parties. The other party holds seller harmless with respect to claims from third parties in that respect.

Article 11: Force majeure

- Shortcomings on the part of seller in the performance of the agreement are considered as force majeure and cannot be attributed to seller if they are not attributable to the fault of seller, nor are for the account of seller by virtue of the law, the agreement or generally accepted practice.
- Force majeure in any case includes circumstances that hamper the observance of the engagement and that cannot be attributed to seller.
- Causes that cannot be attributed to seller among other things include:
 - any unforeseeable stagnation in the regular course of events in the business of seller or in the business of a third party from whom seller purchases goods or services;
 - a general lack of required raw materials and other goods or services required for bringing about the agreed performance;
 - stagnation not foreseeable for seller at suppliers or other third parties on which seller is dependent and general transport problems;
 - the circumstance that seller cannot, cannot timely or cannot adequately deliver a performance that is of importance in connection with the performance to be delivered by seller itself;
 - fire, water damage, exceptional weather conditions, disasters, war and threat of war, terrorism and threat of terrorism, contagious diseases, government measures, riots, acts of war;
 - measures from foreign government bodies that make the performance of the agreement more problematic and/or costly than could be foreseen when the agreement was concluded.
- If one of the circumstances mentioned above occurs, seller shall inform the other party about this. During force majeure, delivery and other obligations on the part of seller are suspended. If the period during which seller cannot observe its obligations as a result of force majeure lasts longer than 14 days, either party is entitled to dissolve the agreement without judicial intervention, without any obligation to pay compensation existing in that case.
- Seller also has the right to invoke force majeure if the circumstance that hampers (further) observance commences after seller should have observed its engagement.
- If seller when the force majeure commences has already observed part of its obligations, or can only partly observe its obligations, seller is entitled to invoice separately the part already supplied or the part that can be supplied and the other party is obliged to pay this invoice as if it were a separate contract.

Article 12: Payment

- All payments must be effected according to the method of payment agreed between the parties, in the agreed currency and within the agreed terms. If payment by means of a letter of credit (l/c) has been agreed, this must be an irrevocably confirmed l/c that covers the entire contract price and must be opened by the other party with a leading bank within the due date of the quotation made by seller. Confirmation must take place by a bank accepted by seller. The l/c shall be subject to the "Uniform Customs and Practice for Documentary Credits, 1993 Revision," ICC publication No. 500. If and in as far as parties have not agreed otherwise expressly and in writing, payments must be effected in Euros into a bank selected by seller and a term of payment of 30 days applies.
- After expiration of the applicable term of payment the other party is in default without notice of default being required. From the moment of default the other party owes an interest equal to the legal rate of interest plus 2% over the claimable sum.
- If and in as far as the other party is in default with payment, as well as in case of bankruptcy, filing for suspension of payment and stoppage or liquidation of its business, all that seller can claim from the other party becomes immediately claimable.
- Payment must be effected without the other party being entitled to apply any discount to the payment, to suspend the payment or to settle the payment with a claim on seller.
- Payments made by the other party always serve to settle in the first place all owed interest and costs and in the second place claimable invoices that have been outstanding the longest, even if the other party states that the payment relates to a later invoice.
- If the other party is in default with observing one or more of its obligations, then all reasonable costs to obtain payment out of court are for the account and risk of the other party. The other party owes 15% collecting charges over the principal.
- If seller demonstrates to have incurred higher collecting charges than the costs mentioned above, which costs were reasonably necessary, then these higher costs are also for the account of the other party.

Article 13: Termination of the agreement

- The claims of seller on the other party are immediately due and payable and no notice of default is required:
 - after the conclusion of the agreement circumstances come to the attention of seller that give seller valid grounds to fear that the other party shall not be able to observe its obligations;
 - on concluding the agreement, seller has asked the other party to provide security for the observance and this security fails to appear within a reasonable term or is insufficient.In the cases mentioned above seller is entitled to suspend the further performance of the agreement, or to proceed to dissolve the agreement, all this without prejudice to the right of seller to claim compensation.
- If circumstances occur with respect to persons and/or materials which seller uses or is in the habit of using in the performance of the agreement, that are of such a nature that the performance of the agreement becomes impossible or so problematic and/or disproportionately costly, that observance of the agreement cannot in reasonableness be demanded, seller is authorized to dissolve the agreement, without being required to pay any compensation.

Article 14: Indemnification

- The other party indemnifies seller with respect to claims from third parties relating to damage caused in connection with the performance of the agreement, in as far as the claims concerned would be limited/excluded if seller could invoke the limitation/exclusion of liability in accordance with these terms with respect to those third parties.
- Third parties as meant in section 1 also include staff employed by the other party and other (legal) persons that the other party uses in the performance of its activities.
- If the other party is held liable by third parties for damage for which the other party and/or third party or third parties shall possibly make seller (jointly) liable, the other party is obliged to inform seller about this within 8 days in writing. In such cases settlement of the damage by the other party shall only take place in consultation with seller (who does not acknowledge liability with this) on penalty of forfeiture of the claims of the other party on seller.

Article 15: Applicable law and jurisdiction clause

- All agreements between seller and the other party are subject to Dutch law. The applicability of the provisions from the Vienna Sales Convention is excluded.
- All disputes arising from the agreements between seller and the other party shall in the first instance be settled by the competent judge in the court district of 's-Hertogenbosch in the Netherlands.

Article 16: Alteration of these terms

- Seller can alter these terms. The altered terms apply to all offers and agreements between seller and the other party that are made respectively concluded after the day on which seller has deposited the altered terms with the Chamber of Commerce.

Article 17: Translation of these terms

- The Dutch text of these terms has been deposited with the Chamber of Commerce for Oost Brabant in Eindhoven. If the text of a translation of the Dutch text of these terms is in any way incompatible with the Dutch text of these terms, the Dutch text prevails.