
GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

OF

THE DUTCH ASSOCIATION OF CLOTHING AND

TEXTILE AGENTS / IMPORTERS (N.V.K.T.)

ESTABLISHED IN AMSTERDAM

Article 1: General

These Terms and Conditions are applicable to all obligations stemming from the agreements to which these Terms and Conditions are declared to be applicable. They are also applicable to all obligations arising from agreements between the parties made at a later date, other deals and pre-contractual legal relationships. Furthermore they are applicable to all obligations arising from deals made in connection with similar agreements, deals and pre-contractual legal relationships.

Should any provision of these Terms and Conditions be wholly or partially invalid or otherwise appears to be null and void, then the validity of the other provisions remains intact. The applicability of buyer's Terms and Conditions will be explicitly rejected by the seller.

Article 2: Special Offers

All special offers made verbally as well as in writing, are noncommittal.

Article 3: Establishing agreements

Agreements are established when the seller, within 4 weeks of receiving the buyer's order, either confirms this in writing or starts the implementation of it.

Article 4: Information given by the seller

4.1 Samples, drawings, models shown, measurements given, sizes, amounts, weights, colours, materials, material texture, finish and / or other information, given by the seller to the buyer, apply only as an approximate description of the object.

Only when the objects are substantially different to the afore-mentioned information is the buyer entitled to annul the agreement within 8 days after the date of delivery. The seller is not responsible for the buyer's use of the afore-mentioned information, unless otherwise explicitly agreed in writing.

- 4.2 The information mentioned in the previous sub-clause is not transferred to the buyer, neither the label, patent, brand name, model, copyright nor any other right of this information. The use of the afore-mentioned information, other than in the framework of this agreement, is only allowed after written permission is given by the seller.

Article 5: Information given by the buyer

The samples, drawings, models shown, measurements given, sizes, amounts, weights, colours, materials, material texture, finish and / or other information given by the buyer to the seller will be accepted by the seller as being right and effective, without any further research.

The buyer indemnifies the seller against claims within and outside of the rights of a third party, who claims that a breach has been made on a label, patent, brand name, model, copyright or any other right of that third party by the use of such by the seller. Should a third party object to the seller delivering, the seller, with the afore-mentioned remaining in full force, is immediately in his right not to make the delivery and / or to stop at once and to demand compensation for the costs already made and damages from the buyer, without the seller being obliged towards the buyer for any damages.

Article 6: Price change

Should there be changes in relevant factors affecting the seller's cost price, the seller is authorised to change the given, offered or agreed price before the establishment of the agreement as alluded to in Article 3, plus 3 months thereafter (as long as the forming of the agreement has not yet been completed), by the same amount. Under the afore-mentioned relevant factors, storage costs, correspondence costs and transport costs, etc. are also included, so long as and as far as these are included in the price.

A change in the agreed price is always permitted where the seller is obliged and thus authorised on the grounds of legal provisions, such as with respect to import duties, sales tax, pay increases, etc.

Article 7: Delivery period

- 7.1 The delivery period is accepted as the time agreed between the parties. In the event that the delivery period is indicated with "rush", "directly", "from stock" or words to that effect, the parties can consider that a delivery period of 10 working days has been agreed, starting from the date on which the agreement was established.

- 7.2 The seller always has the right to a compliance period of 30 days, starting from the first day after the agreed delivery period has ended.

Contrary to the provision in the previous sentence, the seller has the right to a compliance period of 3 working days, starting from the first day after the agreed delivery period has ended, in the event that this is a maximum of 10 working days.

- 7.3 Contrary to the provision in sub-sections 1 and 2 of this Article, the agreed delivery period is accepted as the ultimate delivery date, in the event that this has been indicated with the words fix, fix date or O.N. (Ohne Nachfrist) (without a grace

period). A fix-order or fix-delivery can only be accepted when it is concerning a delivery intended for specific holidays, sale or special events.

- 7.4 In the event that no delivery period is agreed, the seller must deliver the goods within what he considers a reasonable time, taking into consideration the nature of the business and the other relevancies, circumstances known to him.
- 7.5 Without prejudice to the provisions in this Article, the following applies in respect to on demand orders. An on demand order is understood to be an order where, on the order confirmation it is stated that the delivery of the goods will take place on the demand of the buyer. The seller shall, after the order has been demanded, deliver in accordance with the agreed delivery period, without prejudice to the relevance of the other parts of this Article. Furthermore the on demand order has to be taken up – unless otherwise agreed – within six months, calculated from the day that the agreement between the buyer and the seller is established in accordance with Article 3 of these Terms and Conditions. In the event that the buyer hasn't taken up the order after the period of six months has passed, the goods can be offered by the seller on the next day after that six month period and the seller is entitled to issue his invoice and the provisions in Article 8 then apply.

Article 8: Delivery

- 8.1 Unless explicitly otherwise agreed, delivery always takes place "ex seller", "ex despatching agent's warehouse" or "ex factory" and therefore the business risk is then transferred to the buyer.
- 8.2 The buyer is obliged to take the goods when they are first offered. In the event that the buyer does not comply with this, all costs occurred because of this are for his account.
- 8.3 In the event that the buyer does not comply with his commitments as stated in the previous sub-section and in Article 7.5, if the seller agrees to it, the goods can be temporarily, and at the cost and risk of the buyer, be stored in a storage room within the delivery district. Seller is not liable for damage to the goods, in the event that they can't be wholly, only temporarily and / or poorly stored through a lack of appropriate storage space.
- 8.4 Seller is at all times entitled to deliver 5% less than the given and / or agreed amount.

Article 9: Buyers' cooperatives

Regarding agreements with buyers' cooperatives on behalf of its affiliated members, it applies that at all times the member concerned, to whom delivery will ultimately be made, is regarded as the buyer, so that both parties, the buyers' cooperative and its member, are severally liable for the compliance with the obligations arising from the agreement(s) made. In the event of non-payment by the buyers' cooperative, seller is then also entitled to address the member concerned for his obligations regarding the goods specifically delivered to him, irrespective of whether or not the member has complied with his obligations to the buyers' cooperative. The buyers' cooperative is compelled to point out the applicability of these Terms and Conditions to the member concerned and, more specifically, the applicability of this Article.

Article 10: Guarantee, reclaims and liability

- 10.1 Seller guarantees to the buyer, subject to the provisions of sub-section 2, the good quality of the delivered goods. Also understood by this is the compliance with specifications and / or instructions for use, in the event that these are sent with them.

In the event of there being no question of good quality, as guaranteed in the previous paragraph, the seller, at his own choice – after the goods are returned in the original state at the cost of the buyer – will either replace the delivered goods with new goods of equal value, or repair the delivered goods, or pay reasonable compensation up to a maximum of the invoice value of the delivered goods

- 10.2 The guarantee of good quality stated in the previous sub-clause is not applicable in the case of:
- a. buyer is in default towards seller;
 - b. it is a question of a small deviation in the quality, size, colour, design, weight, measurement, material, material texture and / or finish, that is usual in the business and / or technically unavoidable;
 - c. the goods are cut, cut up, or in any other way fashioned, treated, refashioned, used or damaged;
 - d. the delivered goods are exposed to abnormal circumstances, such as e.g. contamination, outside forces, overloading or other causes out of the seller's control;
 - e. the inferior quality is the result of bad maintenance or natural wear and tear;
 - f. repairs have been made by the buyer or third parties to the goods delivered by the seller;
 - g. the claim period, as stated in sub-clause 3 has expired;
 - h. in the case of hidden deficiencies, 6 months after delivery date have elapsed.

- 10.2 Reclaims concerning visible deficiencies should be brought to the attention of the seller in writing within 8 days of delivery, unless the buyer can reasonably prove that he was not able to inspect the goods within that period.

Reclaims concerning hidden deficiencies should be brought to the attention of the seller in writing within 8 days after the buyer has been informed of them, or respectively that the buyer could establish them in a reasonable way.

- 10.4 The buyer never has the right to return goods, unless the seller has explicitly agreed to it beforehand in writing. In the case that the buyer nevertheless returns the goods, contrary to the aforementioned, as long as the seller does not refuse them, the seller will keep them at the disposal of the buyer and for the account and risk of the buyer, but no acknowledgement of the accuracy of the possible claim under the guarantee can be derived from this.
- 10.5 Seller is in no respect whatsoever liable for damage done by the buyer or third parties except for in as far as there is a question of intentional or conscious recklessness by the seller personally or by people under his management.

The liability limitations for the seller provided for herein also extend to seller's employees and to helpers called in by the seller, as well as to establishments that belong to the same group of establishments (concern) as the seller. The possible liability of the seller will never amount to more than the net value of the delivered goods.

Article 11: Payment

- 11.1 All invoices should be paid within 30 days after the invoice date at the very latest, without any appeal for a reduction, settlement or debt compensation. When payment is made within 10 days after the invoice date, the percentage of the purchase price given as a discount, indicated by the seller on the invoice, can be deducted, where applicable.
- 11.2 In the event of the buyer not paying within 30 days after the invoice date, he is legally in default and has to pay a delay interest equal to 1.5% per month over the amount due.
- 11.3 The extrajudicial costs attached to the collection of unpaid or partially paid invoices are for the expense of the buyer. These costs amount to at least 15% of the applicable invoice amount with a minimum of € 300,- per invoice.
- 11.4 Payments made by the buyer always serve as settlement of all due interest and costs and then of due invoices that have been owing for the longest, even when the buyer states that the payment is in settlement of a later invoice.
- 11.5 Seller retains the right to deliver cash on delivery and is entitled to charge the costs for cash on delivery to the buyer. Unpaid invoices should also be paid when goods are delivered cash on delivery.

Article 12: (Further) consequences of shortcomings by the buyer

- 12.1 In the case of default by the buyer, the seller can call upon all legally applicable legal consequences and all claims on the buyer by the seller are in that case due directly and all at once.
- 12.2 By claims on the buyer by the seller as meant in sub-clause 1, it is in any case understood: the sales price increased by the legal interest and costs, all costs made by the seller for the execution of the agreement and / or for the default made and / or the damage yet to be suffered as well as the loss of earnings caused by this, without prejudice to the other rights of the seller.
- 12.3 The buyer is considered to be in default when he doesn't pay, doesn't pay the appropriate amount or doesn't pay on time his obligations that are mentioned in these Terms and Conditions, such as, but not restricted to, receiving and paying for the goods on time, also the buyer is considered to be in default in the case of bankruptcy, (a request for) suspension of payments, the closing down or liquidation of his business.

Article 13: Circumstances beyond one's control, Force Majeur, Acts of God

In the event that the supplier via and / or from whom the seller obtains his goods, for whatever reason, despite the buyer's demand notes, remains in default of delivery, or fails to deliver on time or badly, the buyer should count this as circumstances beyond the seller's control from the date that the compliance period, as stated in Article 7, is elapsed. From that date the following count as circumstances beyond the seller's control: debacle, strike, Government measures, delays in transport, ban on exports, revolt, war, mobilization, transport hindrances, import hindrances and all other forms of force majeure. When the seller can call on the circumstances alluded to in this Article, the obligations of the buyer will also be deferred. Firstly, after the compliance period has elapsed, the buyer

has the right to fully or partially dissolve the agreement, without the buyer having the right to any form of compensation from the seller.

Article 14: Retention of title

- 14.1 The seller retains the title of all goods delivered by him to the buyer until the buyer has fully paid for all the things concerning or in connection with the deliveries of goods or services made by the seller, including interest and costs due to the seller, such in compliance with Article 11.4.
- 14.2 The retained ownership also applies to legal claims that the seller may have against the buyer because of the buyer's shortcomings in one or more of his obligations towards the seller.
- 14.3 The buyer is obliged to keep the goods delivered under retention of title with requisite care and as recognisable ownership of the seller. The risk relating to damage and loss of goods and of the possible consequential loss involved with this is transferred to the buyer after the goods have been delivered.

The buyer is obliged to insure the goods for the duration of the retained title against damage from fire, water and explosion as well as against theft and is obliged to give the policies for this insurance to the seller upon first request for inspection.

- 14.4 So long as the ownership of the goods delivered has not been transferred to the buyer, up until the date of any bankruptcy or any suspension of payments, the buyer may sell the goods in the course of his normal business practice, but he may not pledge them nor may he bestow any right on them to a third or any other party.
- 14.5 When the buyer sells on credit, he is obliged to insist on retention of title from his buyers based on the provisions of this Article, for as long as the ownership of the delivered goods has not been transferred to the buyer.
- 14.5 The seller has, at all times, access to the delivered goods under retention of title for so far as the buyer has it in his power to grant access to the seller. In the event of the buyer failing to comply with his payment obligations towards the seller, the seller having good grounds to fear that he will fail to comply with his obligations or in the case of the rescission of the agreement for whatever reason, the seller is permitted, at the choice of the seller, to temporarily or definitively take back the delivered goods still under retention of title, at the cost of the buyer, without prior proof of default or legal intervention. The buyer hereby now already authorises the seller to then enter the grounds and / or property where the goods are kept in order to be able to take them.

Article 15: Bank guarantee and letter of credit

In the event that the buyer fails to comply with his payment obligations towards the seller or he gives the seller good grounds to fear that he will fail to comply, as soon as the seller makes known that he wants it, the buyer is obliged to immediately supply the seller with a bank guarantee and / or letter of credit as fulfilment of his payment obligations towards the seller.

Article 16: Sales to non-private and agent stores

- 16.1 Buyer is exclusively entitled to sell the goods within the intended sales space(s) and to deliver to the so-called end users (private individuals). Transfer to other establishments, by which is also understood sales to wholesale buyers, is not permitted.
- 16.2 In the event that exclusivity is granted with regards to the goods, it is absolutely not allowed to sell and deliver these goods by means of other of the buyer's branches or shops apart from for which these goods were originally intended.

Article 17: Buyer's warranty

Buyer indemnifies seller against all claims from third parties regarding goods and / or packaging delivered by the seller to the buyer, through which the third party may have been injured, regardless of the cause or time of the happening.

Article 18: Applicable law / Interpretation of the text

Dutch law is exclusively applicable to all the provisions agreed in these Terms and Conditions. In the event of a difference in the interpretation of these Terms and Conditions, the Dutch text applies.

Article 19: Authorised jurisdiction

All disputes, where forum choice is permitted, will in the first instance be exclusively brought before the court in Amsterdam.

These General Sales and Delivery Terms and Conditions are filed with the District Court of Amsterdam under number 137/2005 on 19th September, 2005.