

**GENERAL TERMS AND CONDITIONS
OF SALE AND DELIVERY**

**OF
INTERJUTE B.V. and affiliated enterprises**

1. GENERAL: DEFINITIONS

- 1.1 These Terms and Conditions are part of all agreements of sale or barter or contracting entered into by Interjute B.V., established at Hulst, the Netherlands, and the enterprises affiliated with Interjute B.V. (hereinafter collectively referred to as "INTERJUTE") as a seller or barterer or contractor of work. These Terms and Conditions apply to all offers, deliveries and work by INTERJUTE.
- 1.2 The other party of INTERJUTE is referred to in these Terms and Conditions as the "Purchaser", irrespective of whether the other party is a purchaser, barterer or client of INTERJUTE.
- 1.3 INTERJUTE explicitly dismisses the applicability of any general or specific conditions or stipulations of the Purchaser.
- 1.4 Dutch law shall apply to all agreements concluded by INTERJUTE and to these Terms and Conditions.
- 1.5 All terms or concepts, in so far as not defined or described in these Terms and Conditions, used in agreements concluded by INTERJUTE or in these Terms and Conditions, shall be explained as well as possible in accordance with the "Incoterms" as defined from time to time by the ICC in Paris.
- 1.6 In these Terms and Conditions "Products" shall mean: all that which INTERJUTE is bound to deliver and/or accomplish under the agreement with the Buyer.
- 1.7 In these Terms and Conditions "Force Majeure" shall mean: any circumstances beyond the direct control of INTERJUTE, which partly or fully prevent or delay or render impossible the fulfilment of the obligations of INTERJUTE, irrespective of whether such circumstances were to be foreseen when the agreement was concluded. Without prejudice to the general purport of the previous sentence, "Force Majeure" includes:
 - non-delivery or late delivery to INTERJUTE by third parties;
 - scarcity of raw materials and/or energy;
 - strike and/or other actions by employees of INTERJUTE or third parties;
 - hindrance and/or limitations with regard to transport;
 - war, threat of war, civil war, riots;
 - import and/or export prohibitions or other impeding measures by any government body;
 - the lack of any officially obtainable licence;
 - accidents or fire.

2. TENDERS AND OFFERS

- 2.1 Offers, tenders or quotations shall not bind INTERJUTE and are only regarded as invitations to the Buyer to make an offer to INTERJUTE.
- 2.2 An agreement between INTERJUTE and Buyer, whether or not concluded by an intermediary of INTERJUTE, shall only bind INTERJUTE after INTERJUTE has confirmed the agreement to the Buyer in writing.

3. PRICES; PRICE CHANGES

- 3.1 All prices of INTERJUTE shall be exclusive of:
 - import and/or export duties and/or excise duties and/or other levies and/or turnover tax or other taxes, imposed and/or levied with respect to the Products;
 - the cost of packaging of the Products;
 - the cost of dispatch and/or transport.All prices quoted by INTERJUTE shall be based on delivery 'ex works' INTERJUTE.
- 3.2 In the event of agreements with a currency longer than six months, INTERJUTE shall be entitled to adjust the price if after the conclusion of the agreement with the Buyer, but before the actual delivery of the Products, changes of the (purchase or production) prices of the Products or currency fluctuations occur.
- 3.3 In the event of Force Majeure INTERJUTE shall at all times be entitled, but not obliged, to pass the additional costs in connection with the Force Majeure on to the Buyer.

4. PERIOD OF DELIVERY

- 4.1 The periods of delivery given by INTERJUTE are only indications and shall not be binding upon INTERJUTE.
- 4.2 INTERJUTE shall make an effort to observe the periods of delivery given by INTERJUTE, but shall never be liable if they are exceeded.
- 4.3 If delivery on call has been agreed upon, the Buyer shall be obliged to establish the calls in such a way that within six months after the conclusion of the agreement all Products have been delivered on call. If the Buyer does not call or not in time, the full price shall be forthwith due and payable and INTERJUTE shall be entitled to deliver the as yet remaining Products at a term which conveniences INTERJUTE.

5. RISK AND TRANSFER OF OWNERSHIP

- 5.1 Immediately on conclusion of the agreement the risks of loss and/or damage to Products shall pass from INTERJUTE to Buyer.
- 5.2 The ownership of Products sold or manufactured by INTERJUTE shall, notwithstanding the actual delivery, only pass to Buyer after Buyer has fully paid all that which he owes and/or will owe to INTERJUTE of whatever nature.
- 5.3 As long as the ownership of the Products has not passed to the Buyer, the Buyer shall not be entitled to consume, to sell, to rent, to use or to allow to use, to pledge or otherwise encumber the Products, nor if the activities concerned arise in the ordinary course of the Buyer's business, or if this is the intended use of the Products.
- 5.4 In the event of attachment, (provisional) suspension of payment or bankruptcy the Buyer shall immediately inform the bailiff concerned, the administrator or the bankruptcy trustee of the (ownership) rights of INTERJUTE.

6. QUALITY AND QUANTITY

- 6.1
 - a. If the quality of the Products is determined by the weight, the average weight of the lot concerned shall be decisive.
 - b. In the case of jute Products of heavy, coarse fabrics a weight tolerance of 5% is allowed. In the event of jute Products a size tolerance of 2 cm in both the width and length is allowed.
 - c. In the case of jute Products of light, fine fabrics a weight tolerance of 3% is allowed.
 - d. In the case of new, woven and knitted synthetic Products a size tolerance of 2 cm in both the width and the length is allowed. In the event of new, woven or knitted synthetic Products a weight tolerance of 5% is allowed.
 - e. In the case of other synthetic Products a weight tolerance of 10% is allowed, while these Products are allowed a tolerance of 6% in the width and the length as long as their width is 15 cm or less and of 3% if they are wider than 15 cm.
 - f. In the case of cotton Products a weight tolerance of 5% is allowed. In the case of cotton Products a tolerance of 3 cm in both the width and length is allowed.
 - g. In the case of paper products a weight tolerance of 5% is allowed and a 'grammage' tolerance of 3%. In the case of paper Products a tolerance of 2 mm in width and of 5 mm in length is allowed.
 - h. The tolerances indicated in b to g must be understood as the average per 1,000 units.
- 6.2 If delivery of the Products according to sample has been agreed, the sample shall be decisive for the average quality of the lot to be delivered. Not each of the Products to be delivered need meet this sample.
- 6.3 INTERJUTE shall never be responsible for the colour or design or any nuances therein of the Products.
- 6.4 INTERJUTE shall at all times be entitled to deliver at most 5% more or less than the quantities laid down in the agreement. The Buyer shall be obliged to pay any extra charges.

7. COMPLAINTS

- 7.1 The Buyer shall be obliged to inspect (have) the Products (inspected) immediately, but not later than before the Products leave INTERJUTE.
- 7.2 INTERJUTE must be informed in writing of any complaints about defects within fourteen days after the Products have left INTERJUTE. Any right to compensation or redelivery shall cease if no claim has been lodged in writing within the aforementioned period or if the Products have been fully or partially put into use.

8. LIABILITY AND INDEMNITY

- 8.1 If a claim has been lodged in accordance with the provisions of article 7 of the Terms and Conditions, INTERJUTE shall at its option:
 - either pay fair damages, which shall in all cases be limited to the agreed price of the delivered Products concerned;
 - or replace the delivered Products free of charge with another lot of Products;
 - or a combination of these options.INTERJUTE shall never be obliged to make any other or further payments.
- 8.2 INTERJUTE shall never be obliged to pay damages or make a redelivery as long as:
 - the Buyer has not paid the price, and
 - the Buyer has placed the rejected lot under the control of INTERJUTE.
- 8.3 INTERJUTE shall never be liable for any other loss and/or direct and/or indirect consequential losses of Buyer and/or third parties, including damage on account of death or injury, immaterial damage, trading losses and/or environmental damage.
- 8.4 In all cases the liability of INTERJUTE towards Buyer, of whatever nature, shall be limited to an amount of EUR 150,000 per occurrence (in which case a connected series of occurrences is regarded as one occurrence).
- 8.5 The Buyer shall be obliged to indemnify INTERJUTE against claims from third parties, of whatever nature, with respect to compensation for costs, damages and interest connected with the Products and/or arising from the use of the Products. The Buyer shall be obliged to take out a sound insurance for this purpose.
- 8.6 The Buyer guarantees that the instructions provided by the Buyer for the manufacture, processing, printing or branding of the Products do not contain any infringement of any right to intellectual and/or industrial property of third parties. The Buyer shall be obliged to indemnify INTERJUTE against any claims of third parties connected with such instructions and/or their implementation by INTERJUTE.

9. PAYMENT

- 9.1 The Buyer shall be obliged to pay to INTERJUTE the amounts charged, effectively stated in the currency on the invoice, within fourteen days after the invoice date. All payments, either of the entire lot, or, in the event of delivery in instalments, of the delivered Products must be made in the manner and in the place indicated by INTERJUTE.
- 9.2 All the amounts charged to the Buyer shall be paid without discount or deduction. The Buyer shall never be entitled, neither in the event of a claim, to suspend the fulfilment of his obligations.
- 9.3 The buyer shall owe, without further notice of default, interest on all amounts which have not been paid on the last day of the term of payment at the latest. This interest shall be one percent and shall be payable from the day mentioned in the previous sentence. The Buyer shall, if he exceeds the term of payment, moreover, be obliged to pay to INTERJUTE all extrajudicial and court costs. The extrajudicial costs to be paid shall be fixed at fifteen percent of the agreed price.
- 9.4 The Buyer shall be obliged on first demand in writing by INTERJUTE to provide security for the correct fulfilment of the obligations of the Buyer;

10. ARBITRATION

- 10.1 All disputes between INTERJUTE and the Buyer shall be settled in accordance with the arbitration regulations of the Netherlands Arbitration Institute.
- 10.2 The arbitration tribunal shall consist of one arbitrator.
- 10.3 The place of the arbitration shall be in Rotterdam.
- 10.4 The arbitration tribunal shall decide like good men in an equitable fashion.

These Terms and Conditions have been filed:

- (a) on 28 september 1999 at the Chamber of Commerce in Rotterdam, under number ref 21017915/1999.
 - (b) on 11 october 1999 at the Chamber of Commerce in Terneuzen, under number 992188/1999.
- These Terms and Conditions may be cited as "INTERJUTE" terms and conditions.