

GENERAL TERMS AND CONDITIONS OF DE MUNK CARPETS B.V.

Article 1 Definitions

In these general terms and conditions, the following terms are defined as stated below:

1. De Munk: The private limited company De Munk Carpets B.V., with its registered office in Heemskerk, the Netherlands.
2. General terms and conditions: these general terms and conditions of De Munk.
3. Client: the natural or legal person entering into an agreement with De Munk for the delivery of goods and/or the provision of services. A client is also understood to be the natural or legal person who instructs De Munk to prepare an offer.
4. Agreement: the agreement described in paragraph 3.
5. The work: all of the agreed work and services (including any design work) and/or deliveries.

Article 2 Applicability

1. These general terms and conditions apply to all offers and sales agreements, unless explicitly agreed otherwise in writing by the parties.
2. De Munk explicitly rejects the applicability of any general and/or special terms and conditions of the client.
3. By placing an order and/or entering into an agreement the client accepts the general terms and conditions which, as such are deemed to form an (implied) integral part of the agreement.
4. If any of the provisions of these general terms and conditions are void or voided, the other provisions of these general terms and conditions remain in full force, while the parties shall confer in order to agree on a provision to replace the void or voided provision. The replacement provision shall reflect the purpose and purport of the void or voided provision as closely as possible.
5. In the event of a situation arising between the parties not provided for by these general terms and conditions, the situation must be assessed in the spirit of these general terms and conditions.
6. The fact that De Munk does not require strict compliance with these terms and conditions at all times does not automatically mean that the provisions detailed therein no longer apply, nor that De Munk would lose the right to require strict compliance with these terms and conditions in other cases.

Article 3 Offers and formation of an agreement

1. All offers and quotes made by De Munk are entirely without obligation, unless explicitly agreed otherwise in writing.
2. An offer is formed subject to written confirmation by De Munk or, alternatively, when De Munk starts the execution of the agreement or sends/presents the relevant invoice to the client.
3. A written confirmation by De Munk shall be deemed to be correct and approved if no written objections have been received within five working days of the confirmation having been sent by De Munk.
4. Verbal promises by and agreements with subordinates of De Munk shall not be binding until after and insofar as confirmed by De Munk in writing.
5. If after formation of the agreement the client requires changes to be made to the execution thereof, De Munk must be promptly notified in writing of these changes. De Munk reserves the right to adjust the price on the basis of the aforesaid changes.
6. De Munk provides the client with a model, sample, specimen and/or other information for indicative purposes only. The goods to be delivered may show some deviations, unless it has been explicitly agreed between the parties that the goods to be delivered must be in accordance with the model, sample or specimen.

Article 4 Dissolution

1. Termination of the agreement is not possible, bar the exceptions set out in the general terms and conditions.
2. If a party fails to fulfil its obligations under the agreement, the other party - regardless of the provisions stipulated in the agreement - shall be entitled to dissolve the agreement by means of registered letter or bailiff's notification, without the need for court proceedings. The

termination shall only be effectuated after the defaulting party has been notified of the breach - insofar as required - and after it has been given a reasonable term to remedy the situation.

3. In addition, either party shall be entitled, without the need for any demand or notice of default and without the need for court proceedings, to partly or wholly dissolve the agreement by means of registered letter or bailiff's notification, with immediate effect, if:
 - a. the other party applies for or has been granted a (provisional) moratorium;
 - b. the other party files a winding-up petition for itself or is declared insolvent;
 - c. the other party is - provisionally - declared subject to the debt management scheme of the Debt Management (natural Persons) Act;
 - d. the company of the other party is liquidated;
 - e. the other party discontinues its current operations;
 - f. through no fault of one party, a considerable part of the assets of the other party are seized, or if the other party must otherwise be deemed no longer able to fulfil the obligations under the agreement.
4. If, at the time of dissolution, part of the agreement has already been executed for the client, he shall be able to only partly dissolve the agreement, i.e. only that part yet to be executed by or on behalf of De Munk.
5. Amounts invoiced by De Munk before termination in respect of what has already been performed by way of execution of the dissolution shall continue to be owed by the client to De Munk and become immediately due and payable at the time of dissolution.
6. If after having received a notice of default for this, insofar as required, the client fails to meet any obligation arising from the agreement, or fails to do so fully or properly, De Munk shall be entitled to suspend its obligations towards the client, without being obliged to pay the client any compensation. De Munk shall also be entitled to do so in the circumstances referred to in paragraph 3 of this article.

Article 5 Prices

1. All prices quoted are exclusive of turnover tax (VAT) and other government levies, unless explicitly indicated otherwise in writing.
2. If, after formation of the agreement, the prices of (raw) materials, semi-finished products, wages, contributions of whatever nature, freights, taxes, exchange rates and/or other factors which have an effect on the price of goods or services are subject to change, De Munk shall be entitled to pass on this change to the client accordingly.
3. In the event of a price increase within three months of the agreement having been formed, the client shall be entitled to terminate the agreement, provided he does so in writing within five days of having been notified by De Munk, and to restrict himself to pay any performances already delivered by De Munk on the basis of the prices applicable prior to the increase.
4. The client shall not be entitled to terminate as referred to in paragraph 3 in the event of price increases which De Munk is entitled or obliged to implement by virtue of statutory provisions, as well as price increases as a result of general price rises, insofar as they are less than 10% of the price originally agreed.
5. In the event of issuing an order at the expense of third parties, the client shall not be able to claim free, separate or split invoices to be sent to these third parties. The client remains liable for the entire amount payable.

Article 6 Cancellation

1. Cancellation of the order is only possible if the goods ordered by De Munk for the order are not yet irrevocable.
2. In the event of cancellation under the circumstances referred to in paragraph 1, the client shall owe De Munk compensation of 15% of the contract sum.

Article 7 Execution of the agreement

1. De Munk decides how, in its opinion, the agreement must be executed and is entitled to outsource the agreement to or have that agreement, or parts thereof, performed by third parties not employed by De Munk, if it feels that this leads to a good or efficient execution of the agreement.
2. De Munk cannot be held liable for the usual tolerances in dimensions, weights, colour (fastness), bowing, finish of the pool, shading and suchlike in respect of the goods delivered.

3. De Munk is entitled to have the agreement executed and invoiced in parts, within the bounds of reasonableness.
4. If the agreement can only be executed in parts, the remainder shall be logged for subsequent delivery. The client shall be notified accordingly and, in that instance, be entitled to dissolve the agreement for the part yet to be performed, in writing, within eight days of having received the notification. In that instance, the client shall not be able to claim compensation.
5. Delivery dates as stated by De Munk are always given for indicative purposes only. If De Munk is unable to meet the stated delivery date, it shall notify the client at the earliest possible opportunity and state the new, expected delivery date. In that instance, the client shall not be able to claim compensation.
6. Any agreement with regard to the storage and/or transport of the goods to be delivered shall be at the expense and risk of the client.
7. In the event of so-called deliveries on approval or sale on consignment, the client is liable for all damage to the goods delivered (including theft). In the event of theft, the client is liable to pay De Munk the amount stated on the approval or consignment note.
8. De Munk is entitled to charge the client call-out charges, provided this has been stipulated upon conclusion of the agreement.
9. Delivery shall be ex warehouse De Munk, unless agreed otherwise.
10. The client is obliged to take delivery of the goods at the agreed delivery time. If the client does not take delivery of the goods at this time or does not wish to do so, the goods shall nonetheless be deemed to have been delivered to the client. In that event, De Munk, without prejudice to other rights of De Munk, shall be entitled to remove and store the goods at the expense and risk of the client, without a notice of default being required for this. De Munk is entitled to keep the goods stored until the costs of transport and storage have been paid by the client. Article 14 of these general terms and conditions continues to apply in full.

Article 8 Unforeseen complications

1. In the event of unforeseen complications, De Munk shall notify the client accordingly as soon as possible.
2. Any additional costs to be incurred by De Munk in connection with an unforeseen complication requiring immediate action and which are reasonable in order to limit the damage, must be compensated by the client.
3. If the unforeseen complication does not require immediate action, the client shall be able to instruct contract variations.

Article 9 Obligations of the client

1. The client must promptly notify De Munk of changes of address and/or telephone number as well as any changes in the place of the delivery, if a place was agreed.
2. If progress of the work is delayed due to circumstances as referred to in paragraph 1 of this article and this can be attributed to the client, or if delivery is delayed due to other circumstances that can be attributed to the client, the client shall be obliged to compensate De Munk for the damage arising from it.
3. Items such as drawings, models, photographs, samples, designs, logos, templates etc. made available by the client to De Munk for the execution of the agreement shall be returned at the expense of the client afterwards. De Munk is entitled to postpone the return for as long as the client has not yet fulfilled all his obligations towards De Munk.

Article 10 Complaints

1. Upon delivery, the client must check the goods for any visible defects. Any defects found by the client must be immediately reported by the client to De Munk and confirmed by the client in writing within five days of delivery. In any case, the client must inspect whether the quality and/or quantity of the goods are in accordance with the specifications and whether they meet the requirements which the parties have agreed in that respect.
2. Any other complaints must be submitted to De Munk in writing, within eight days of the defect manifesting itself.
3. Complaints with regard to part of the agreement cannot lead to dissolution of the entire agreement, unless it is inextricably linked up with it.
4. De Munk must at all times be given the opportunity to assess a complaint and remedy the situation.
5. Complaints do not suspend the client's obligation to pay.

Article 11 Liability

1. Except in the event of mandatory legal provisions, De Munk, with due observation of the principles of reasonableness and fairness, shall not be liable to pay any compensation for damage, regardless of the nature thereof, directly or indirectly, inflicted to goods or persons of or at the client or a third party, which damage has been incurred as result of the execution of the agreement.
2. The limitation of liability referred to in paragraph 1 does not apply in the event of intent and/or wilful recklessness on the part of De Munk.
3. If and insofar as is possible, De Munk is at all times entitled to undo the damage caused by the client. This includes the right of De Munk to take measures aimed at preventing or limiting any damage.
4. De Munk is liable for direct damage only. Direct damage is limited to the reasonable costs to determine the cause and scope of the damage, insofar as the assessment relates to damage within the meaning of these terms and conditions, any reasonable costs incurred to ensure the substandard performance of De Munk conforms to the agreement, insofar as these can be attributed to De Munk and reasonable costs incurred to prevent or limit any damage, insofar as the client is able to demonstrate that these costs have led to a limitation of the direct damage, as referred to in these general terms and conditions.
5. The liability of De Munk is any case limited to the payment made by the insurance of De Munk in the event of liability, increased by the amount of any policy excess.
6. In the event that third parties sue De Munk for damage causes by actions/omissions on the part of De Munk and/or its subordinates, the client shall unconditionally indemnify De Munk in those instances in which De Munk, either by virtue of these conditions or otherwise, is not (or no longer) liable towards the client. In the event that De Munk is nevertheless obliged to pay compensation to third parties, De Munk shall have a right of recourse against the client. The right of resource includes compensation paid/to be paid by De Munk, as well as interest and costs within the meaning of section 6:96, subsections 2 (a) to (c), of the Netherlands Civil Code.
7. The risk of loss, damage or reduction in value is transferred to the client from the moment De Munk places the goods at the disposal of the client. In the event of the situation described in article 7, paragraph 10, the goods must be deemed to have been placed at the disposal of the client.

Article 12 Warranty

1. Except in the event of mandatory legal provisions, De Munk issues a warranty against material and manufacturing defects for a period of six months after delivery.
2. If the supplier provides De Munk with a warranty term that exceeds the term referred to in the previous paragraph, this term, in derogation from the provisions stipulated in the previous paragraph, shall also apply to the client.
3. The warranty lapses if:
 - a. the provisions of article 10 of the general terms and conditions are not met;
 - b. the defects have been caused by errors, incompetent use, carelessness, incorrect action and/or negligence by the client, its successor in title or as a result of external causes;
 - c. during the term of the warranty, without the written approval of De Munk, a third party has been instructed, regardless of the nature of that instruction, to carry out repairs to the work or to movable or immovable property to which the work is related, or in the event of the client having made such repairs by itself.
 - d. in the event of the client having failed to meet its payment obligations.
4. The so-called Re-coloured Patchwork Carpets and Re-coloured Carpets are mainly produced from old carpets. In addition, these carpets are given a special treatment to create a worn appearance. By way of derogation from the provisions of paragraph 1 of this article, De Munk does not issue a warranty on these carpets.
5. By way of derogation from the provisions of paragraph 1 of this article, De Munk does not issue a warranty on certain finishing edges. De Munk shall notify the client in the event of such situations.

Article 13 Force majeure

1. In the event of force majeure of De Munk, its obligations under the agreement shall be suspended for as long as the situation of force majeure continues.
2. Force majeure is understood to be any circumstance beyond the control of De Munk which temporarily or permanently prevents De Munk performing the agreement and which, either by law or the principles of fairness and reasonableness, should not be classed as the risk of De Munk.
3. In the event of a situation of force majeure as referred to in paragraph 1 of this article, De Munk shall notify the client.
4. Insofar as not already included therein, force majeure is also understood to mean: industrial strikes, factory sit-ins, blockades, embargos, government measures, war, revolution, terrorism and/or any circumstance to be deemed equal to that, power failures, breakdowns in electronic communication lines, fire, explosion and other calamities, water damage, flooding, earthquakes and other natural disaster, as well as large-scale staff illness of an epidemiologic nature.
5. However, the suspension does not apply to obligations which the force majeure does not relate to and which were in place before the situation of force majeure occurred.
6. If the situation of force majeure lasted a period of three months, or once it is clear that the situation of force majeure shall take longer than three months, either party shall be entitled to prematurely end the agreement without having to observe any notice period. After termination of the agreement as described above, the client remains obliged to pay De Munk any outstanding amounts relating to the period before the situation of force majeure.
7. During the situation of force majeure, De Munk shall not be obliged pay the client any compensation, nor is it obliged to do so after termination of the agreement as referred to in the previous paragraph.

Article 14 Payment

1. Unless explicitly agreed otherwise in writing, the rates applied by De Munk are:
 - a. based on the facts relevant to the execution of the work as stated in the agreement;
 - b. exclusive of turnover tax and any other costs, including travel and subsistence costs;
2. Unless explicitly agreed otherwise, payment to De Munk shall be effected in cash, upon delivery of the work or immediately after the provision of services. De Munk may demand full or partial payment in advance.
3. In the event of purchases or work on credit, the client must pay the invoices no later than fourteen days from the invoice date, without any deduction, setoff or compensation, unless explicitly agreed otherwise in writing. A situation as referred to in article 7, paragraph 10, of these general terms and conditions does not constitute a valid ground to derogate from the payment term.
4. In the event the term referred to in paragraph 3 is exceeded, except in the event of mandatory legal provisions, the client shall be in default from the day that this term has expired, without De Munk having to issue any further notice of default. In such cases, the client owes statutory (commercial) interest, increased by 2% per year, on the outstanding amount, from the day on which payment should have been made and with any part of a month being counted as a full month.
5. In the event of the client being in default as referred to in paragraph 4 of this article, the client shall further owe any judicial and extrajudicial collection costs, subject to the rules of imperative law. These costs amount to 15% of the outstanding principal sum, subject to a minimum of EUR 50.00. In the event that the client is a private individual who acts other than in the course of a profession or business, the extrajudicial costs are calculated in accordance with the Extrajudicial Collection Costs (Fees) Decree.

Article 15 Intellectual property rights

1. The drawings, models, photographs, samples, models, designs, logos, stated dimensions and quantities, templates, materials and/or examples are and/or remain the (intellectual) property of De Munk at all times.
2. The goods referred to in this article may not be used, multiplied, disclosed, made available to third parties and/or published without the prior consent of De Munk, nor may any communication be conducted with third parties in respect of these goods.

3. The goods referred to in paragraph 1 must be returned by the client to De Munk, on demand.
4. This article continues to apply in full, regardless of the client having been charged for the goods referred to in article 1.
5. This article does not apply to goods made available by the client.

Article 16 Retention of title

1. All goods supplied and still to be supplied shall remain the exclusive property of De Munk, until all current or future claims of the De Munk vis-à-vis the client, including at least the claims stated in article 7, paragraph 10 and article 14, paragraphs 4 and 5, of these general terms and conditions and/or section 3:92, subsection 2, of the Netherlands Civil Code, have been paid.
2. As long as ownership of the goods has not been transferred to the client, it shall not be entitled to pledge these goods or grant third parties any other rights thereto, except within the normal operations of its business. The client undertakes to cooperate on demand of De Munk in establishing a right of pledge to claims the client has or shall have vis-à-vis its customers by virtue of the onward supply of goods.
3. The client is obliged to store the goods that have been delivered under retention of title with due care and attention and as the recognisable property of De Munk.
4. De Munk is entitled to take back the goods that have been delivered under retention of title and that are still within the grounds of the client, if the client fails to fulfil its payment obligations or if it is having or is likely to have financial difficulties. The client shall at all times grant De Munk access to its grounds and/or buildings in order for De Munk to exercise its rights.
5. The provisions referred to in articles 1 to 4 do not affect any other rights of De Munk.
6. The client does not have any right of retention.
7. De Munk shall at all times remain the owner of the goods delivered on approval or sent on consignment and of the models, samples, examples and/or other details referred to in article 3, paragraph 6.
8. The sample presentation provided to the client shall at all times remain the property of De Munk. These sample presentations must be returned to De Munk on demand. If the client fails to return the sample presentation or returns damaged sample presentations, the client shall be liable to pay the replacement or repair of the sample presentations.

Article 17 Applicable law

All offers, agreements and the execution thereof which these terms and conditions apply to are exclusively governed by Dutch law. The District Court of Alkmaar shall have exclusive jurisdiction to hear disputes ensuing from the agreement as referred to in article 1, paragraph 4, including one of the parties failing to perform.

If the client is a natural person who does not act in the course of a profession or business, the competent court shall be appointed by application of the rules of the Code of Civil Procedure.

These general terms and conditions were filed with the Chamber of Commerce of Amsterdam on 4 December 2012, under file reference number: 37094175