NETRACO

General conditions of sale

Netraco Garments B.V. · Rigakade 20-4 · 1013 BC Amsterdam · The Netherlands

Contents

1. Applicability
2. Orders
3. Price
4. Terms of payment
5. Product delivery terms
6. Controls of the quantity and quality of the Products
7. Control, guarantee and responsibility of the Seller
8. Force majeure
9. Indemnification obligations
10. Termination by the Seller
11. General clauses
12. Intellectual Property
13. Termination of contract, cancellation or refusal of
14. Retention of title
15. Applicable law and Court of Jurisdiction

In case of contradictions between language versions, the English version prevails.

1. Applicability

These general conditions of sale (the “Conditions”) regulate:

(a) the sale of products as indicated in the purchase order (the “Products” and the “Order”); and

(b) any future sales of Products between NETRACO GARMENTS BV, AMSTERDAM, THE NETHERLANDS (the “Seller”) and the Buyer, also on the basis of verbal agreements. The Conditions supersede and prevail over any other condition, agreement, commercial use and/or procedure. Should there be any contradictions amongst the different versions the English version shall prevail.

2. Orders

(2.1) The Order constitutes an irrevocable purchase offer unless within 10 days after receipt of the Order by the Seller, the Seller informs the Buyer or the Buyer informs the Seller in writing, to cancel the order. Due to such a cancellation the agreement will be dissolved, without the Buyer or the Seller being entitled to any compensation.

(2.2) The Sale and Purchase agreement is only entered into:

(a) with written Order confirmation; or

(b) with performance of the Order by the Seller by delivering the Products, as laid down by art. 5 below.

3. Price

Unless otherwise specified, the prices and references to invoiced amounts are net and do not include VAT or any other tax or duty on the price. Other costs are regulated by the delivery terms. Payment of the purchase price of the Products by the Buyer will be made in the currency indicated in the Order.

4. Terms of payment

(4.1) The payment of the price of the Products to the Seller must be made in full as indicated in the acceptance for Order confirmation, or in the Seller’s invoice and will be mandatory for the Buyer. The Seller has the right in case the Buyer has not paid his last outstanding claims on time or - if applicable - is no longer insurable according to a credit insurer, without prejudice to its other rights as a result of these conditions and / or the law, the right to provide security for demand payment and / or advance payment and / or immediate payment upon first offering the goods to the buyer (cash on delivery) for all current agreements between the Seller and the Buyer;

(4.2) If the Buyer omits or delays any payment, the Seller, without prejudice to any other remedy, may:

(a) suspend all deliveries until the whole amount has been paid; and/or

(b) demand that the Buyer produce a satisfactory guarantee of payment within 5 days; and/or

(c) cancel all the pending Orders or deliveries, 14 days after sending the Buyer a final demand for payment; and/or

(d) remove the goods under reservation of title of the Seller by entering the Purchaser’s premises. Any delay in

the payments makes the Product purchase price indicated in the Order and any other sum due from the Buyer to the Seller of any kind immediately payable. Without prejudice to further damage repayment (e.g.: cost of Product storage), a default interest rate is applied to the matured amounts of 1% per month, due from the foreseen payment date up to the payment.

(4.3) The payments are only considered to have been fulfilled when they are accredited to the account of the Seller.

(4.4) The Buyer cannot set-off, or suspend payments for any reason, even if faults, defects or non-conformities of the Products (“Faults” or "Fault") have been claimed.

5. Product delivery terms

(5.1.) The delivery term of the Products is not mandatory; the Seller will do good faith efforts to deliver within the term indicated in the box marked “DELIVERY PERIOD” of the acceptance module for Order confirmation (with a tolerance of 15 calendar days). Different agreements will be not applicable unless they are in written form and they will apply only to the Order to which they refer.

(5.2) Unless otherwise agreed upon the delivery is “Ex Warehouse”.

(5.3) If the Buyer does not take delivery of the products in conformity with the contract or fails to take any step necessary for delivering the Products, the Seller may:

(a) terminate the contract and sell the Products to third parties and/or

(b) demand the performance of the Order by the Buyer; and/or

(c) deposit the Products due at the Buyer’s risk and expense in fulfilment of any Seller’s obligation. Any damage or cost are at the Buyer’s expense.

(5.4) Unless agreed upon in writing, the Seller may divide each order in one or more deliveries.

6. Controls of the quantity and quality of the Products delivered

(6.1) The Buyer has the duty to check the integrity of the packaging and of the Products and the transport documents.

(6.2) Returning the Products is excluded unless

(a) a Fault is reported pursuant to art. 7.2 and

(b) the Seller has authorised the return in writing.

7. Control, guarantee and responsibility of the Seller

(7.1) Within the terms and limits of these general conditions of sale Seller guarantees

(a) the delivery of the Products as per the Order confirmation and, if an Order is sent in several shipments, as per the delivery documents;

(b) absence of Faults. The guarantee does not cover differences of colour, shape or size of the Products which come within the market’s standards of tolerability. The guarantee does not cover unsubstantial differences between the samples and the Products or the differences in colour or shades between different Products as usually accepted in the market’s standard practice.

(7.2) In case of Faults evident upon an external examination of the packing, the Buyer must make a written claim to the Seller no later than three working days after that of receipt and the specific grounds of the claims. In the case of Faults which are not obvious upon an external examination of the packing, the Buyer must make a written report within 15 days of receipt of the Product, indicating the specific Fault. If a timely report is not made, the Products will be considered to have been delivered in the requested quantity and without Faults.

(7.3) In the case of ascertained Faults, the Seller is only obliged to the following at its own indisputable discretion:

(a) delivering the missing Products to the Buyer, or

(b) replacing the defective Products returned by the Buyer pursuant to art. 6.2 above or

(c) reducing the price of the Products.

(7.4) The Buyer will inform the Seller at the latest when the Order is placed of any specific applicable legal provision relevant to the delivery or use of the Products. In case of commission, the Buyer may not make any claims regarding these provisions and must guarantee the Seller against any claims of third parties and costs.

(7.5) The Seller’s responsibility may not exceed the repayments to the Buyer of the price paid for the faulty

Products.

8. Force majeure

The Seller is not responsible for damages caused by circumstances outside the reasonable control of the Seller, including fortuitous events, uprisings, strikes, blockades, union disputes or work disorders, accidents, breakage of plants or machinery, fires, floods, storms, difficulties or increases in the cost of manpower, materials, transport or processing raw materials on the Seller's usual source of supply, difficulty or increase of the production costs of the Products affecting the Seller's normal means or difficulty or increase of the delivery costs of the Products affecting the Seller's usual delivery mode. In these circumstances the Seller may, at its own discretion, cancel any Order or delivery.

9. Indemnification obligations

The Buyer is committed to indemnify and hold the Seller harmless from any costs, damages or sanctions deriving from the sale or use of the Products, Product non conformity with the applicable standards or from any activity (even promotional) with regards to the Products or the packing, which cause a violation of third parties' right or claims. The Buyer will immediately inform the Seller of these circumstances and will provide reasonable assistance to the Seller.

10. Termination by the Seller

Without prejudice to any other remedy, the Seller may, immediately with a written communication even sent by fax, terminate the Order and any other agreement with the Buyer:

(a) if the Buyer is wound up even voluntarily, or a restructuring or insolvency procedure is started up against them (bankruptcy, etc.) or if a relevant petition is presented; or if

(b) a request is presented for the appointment of a receiver or administrator for the business of the Buyer; or

(c) if the Buyer becomes insolvent or if the financial conditions of the Buyer may affect the guarantee in favour of the Seller constituted by Buyer's equity (e.g.: withdrawal or reduction of guarantees by third parties of the Seller's credits);

(d) in case of any change in the shareholding the Buyer's termination of the latter; and/or

(e) in any case of termination of any other agreement (e.g. distribution, sale concession, retail, agency franchising, etc) possibly in force between the Buyer and the Seller, and/or between the Buyer and NETRACO GARMENTS BV. In case of withdrawal, under art. 10, all the amounts due for any reason to the Seller from the Buyer at the date of the cancellation of the Order will become immediately payable.

11. General clauses

None of the rights or obligations of the Buyer may be assigned. No intellectual property rights or know-how is assigned or licensed to the Buyer with the Purchase of the Products. Invalidity of one or more of the provisions of the Conditions does not affect the remaining provisions. Any amendment and integration must be made in writing and approved by the Seller. Data Protection Statement: the Seller complies with the laws in force and collects, stores and processes only the data necessary for the Order and/or for the contract(s) with the Buyer, to ensure a high quality of the services, for the safety of the operations and the infrastructure and for billing purposes. The Buyer accepts that the Seller may request information on it or transmit data regarding its payment habits to third parties, use its data for services conforming with specific needs and for specific commercial offers and that its data may be processed, even abroad, not only by the Seller, but also by NETRACO GARMENTS BV or its other subsidiaries for the same purposes. The Seller may communicate the data of the Buyer to third parties if necessary to supply services or for collection of receivables.

12. Intellectual Property

All intellectual property rights connected to NETRACO GARMENTS BV (including its contents) are the exclusive property of NETRACO GARMENTS BV; NETRACO GARMENTS BV and its contents shall not be reproduced, either partially or entirely, transferred by electronic or conventional means, modified, linked or utilized in any way, without prior written consent from NETRACO GARMENTS BV.

13. Termination of contract, cancellation or refusal of order

(13.1) If the seller terminates an agreement for breach of any payment obligation or other material obligation, the

buyer shall be obliged to co-operate in undoing or returning any deliverables already received but also to pay damages equivalent to 50% of the order value of the items, without affecting the seller’s right to claim full compensation.

(13.2) If buyer cancels or refuses an order before payment, buyer is obliged to pay 50% of the price mentioned in the order, notwithstanding seller's right to claim full damages.

14. Retention of title

(14.1) All products supplied, delivered and yet to be delivered by the Seller to the Buyer, paid or not paid by the buyer remain the full property of the Seller until all the outstanding invoices, interests and costs are paid in full by the buyer to the Seller.

(14.2) By the Seller supplied products, that in accordance with paragraph 14.1 are part of the retention of title, may be sold as part of the normal course of business. The Buyer is not entitled to pledge the products or start any other right branches until all outstanding invoices are paid in full to the Seller.

(14.3) If the Buyer fails to fulfil its obligations or there is reasonable fear that the Buyer will not fulfil its obligations, the Seller is entitled to get back all products of the outstanding invoices, which is referred to in paragraph 14.1 retention of title, from the Buyer or third parties that keep the products of the Buyer.

(14.4) Retention of title shall not be waived for payment by third party subrogated by the Seller’s claim.

15. Applicable law and Court of Jurisdiction

Any Order and any future sale of Products are regulated by substantial Dutch law, excluding the United Nations Convention on contracts for the International sale of goods (1980) and the provisions of Dutch international private law. The Seller may, however, elect to submit a dispute with the Buyer to the competent court in the place where Buyer's business is registered or where Buyer is officially domiciled, and may elect whether or not the law of the country where the Buyer is registered/domiciled shall apply. Any disputes regarding the Conditions or the Order will be decided exclusively by the Court of Amsterdam (Netherlands).