

General Sales Conditions

1. GENERAL

Any order placed with the company The Cotton Group ("The Cotton Group") will be exclusively governed by the following general terms and conditions. Accordingly, placing an order via The Cotton Group entails the client's complete and unconditional acceptance of these General Sales Conditions. To be valid, any departure from these General Sales Conditions must be subject to the prior written agreement of The Cotton Group. These General Sales Conditions prevail over any conditions stipulated in the buyer's documents.

The Cotton Group reserves the right to alter these General Sales Conditions. They will apply to any order placed by the client after communication of the modified General Sales Conditions.

2. ORDERS

The catalogue of products and their description do not constitute an offer per se. Therefore, the sales contract is not concluded merely as a result of the filling out of the order form. The sale will only be definitively concluded upon receipt of the order acknowledgement from The Cotton Group. The Cotton Group reserves the rights to refuse any disproportionate order.

3. DESCRIPTION OF GOODS TO BE DELIVERED

Goods will be delivered as described on the order confirmation or on the front side of the invoice. If, due to circumstances beyond our control, such as an interruption in the deliveries from the manufacturer's factories, delivery of the exact order is not possible, The Cotton Group reserves the right to slightly modify the characteristics thereof, after having informed the client.

4. PRICE

Unless otherwise agreed in writing all of the prices of the products are indicated in Euros, excluding VAT, and do not include delivery expenses.

Prices in force are those appearing on the latest communicated pricelist or on any offer communicated to the buyer by The Cotton Group.

Prices are valid until further notice and may be modified in the course of the year. In case of price changes, B&C commits to inform the client 15 days prior to the implementation. However, if the modification of prices is due to increases at the level of resources, the modified prices shall immediately be implemented and notified to the client, who shall have the possibility to cancel his order by fax/e-mail within 8 days after notification of the modified prices. In the absence of such cancellation, the order shall be deemed to have been concluded at the modified price.

5. DELIVERY

Delivery timetables are communicated for information only. A delay in delivery cannot result in any kind of penalty or indemnity, or justify the cancellation of an order.

The Cotton Group reserves the right to refuse one or more deliveries or even new orders should a client not comply with one of its obligations (for example its payment obligation) whatever the reason. **In no case shall The Cotton group be bound to take back the inventory of the client.**

If products ordered must be delivered in a country other than Belgium, the client is considered as an authorized importer and must therefore comply with the laws and regulations in effect in the country in which the goods are received. The client may be liable for import duties or taxes at the time the goods arrive in the country where they must be delivered. All these additional customs clearance expenses, if any, will be borne by the client.

6. TRANSFER OF TITLE

Goods delivered remain the property of The Cotton Group until complete payment not only of the relevant goods but also of any goods sold and delivered to the client by The Cotton Group the price of which would not yet have been entirely paid.

Price means the price invoiced by The Cotton Group, including any costs, such as transportation costs relating to the sale and VAT as well as possible interest for late payment and indemnities due as a consequence of the non or late performance of the contract.

In case of non-payment by the client within the contractually agreed time, without prejudice to any other rights resulting from the contract or from the law, The Cotton Group may (but must not) require restitution of the goods at the costs and risks of the client. The inventory goods are deemed to be the unpaid ones. In any case, the parties agree that the goods of The Cotton Group are fungible goods allowing The Cotton Group to exercise its retention of title on any goods similar to the unpaid ones and which are in the client's inventory.

The following rules of valuation will be applicable:

For the full cartons of goods, i.e. the cartons that have not been opened, the goods will be valued at the price paid by the client for such goods, after taking into account damage, wear, reduction in quality, write-offs, ageing, and the cost of retrieval of the goods

and/or the cartons. 'Price paid by the client means the purchase price after deduction of discounts and possible transport costs.

For the open cartons of goods, i.e. the cartons that have been opened, the goods will be valued at a destock value, after taking into account damages, wear, reduction in quality, write-offs, ageing, and the cost of retrieval of the goods. The destock value of the goods is subject to a maximum of 30% of the price paid by the client for such goods.

Without prejudice to the above, the client transfers to The Cotton Group any price claim resulting from the resale on credit of goods the purchase price of which has not been paid to The Cotton Group at the time of such resale. In order to allow the enforcement of this transfer by notification to the client's debtor, the client authorizes The Cotton Group to examine its books of accounts, invoices, order books and other relevant administrative, financial and accounting records.

7. TRANSFER OF RISK

Partial or total risk of loss or of damage to the goods are transferred to the client on the day the goods are made available, whether or not it accepts delivery or whether or not it elects withdrawing them from The Cotton Group's warehouse.

8. CLAIMS

Goods must be controlled on reception by either the client or a third party.

Claims relating to the goods received must be sent by registered letter to The Cotton Group within 8 days following reception of the goods, either by the buyer or a third party. After this period, the goods are deemed accepted by the client.

A claim does not entitle the buyer to delay the payment of an invoice. A return of the goods can only be accepted based on a prior written request of the buyer and written agreement from The Cotton Group. All costs related to the return of goods without written approval of The Cotton Group cannot be taken into consideration by the latter.

Any claim relating to an invoice must be sent by registered mail within 8 calendar days following the receipt of the invoice, otherwise it will be considered as accepted.

9. LIABILITY

If The Cotton Group accepts the defective nature of one of its goods, The Cotton Group will replace the good with a similar one of the same value. If such a replacement is impossible, The Cotton Group shall reimburse the value of the defective product as quickly as possible. Under no circumstances will The Cotton Group's liability go beyond the exchange of goods/ reimbursement. Furthermore, The Cotton Group cannot be held liable for any loss or indirect damage of any kind. Differences in sizes, shades, colour and manufacturing are expressly tolerated due to the nature and the composition of the goods as well as their high volume production. Under no circumstance will a product be replaced if a defect appears in a quantity equal to, or less than, 5% of the total order.

Any goods transformed by the client or by a third party cannot be replaced or reimbursed. The client acknowledges that except with the written express agreement of The Cotton Group, it may not withdraw The Cotton Group's distinctive signs from the goods such as for instance the labels of the goods bearing a trademark belonging to The Cotton Group.

10. TERMS OF PAYMENT

Invoices are payable cash without discount on delivery, unless otherwise provided on the invoice.

When the invoice provides a payment term and the client pays the invoice before its due date, the client shall benefit from a discount if he complies with the conditions specified on the invoice.

The Cotton Group will re-invoice all or part of any discount unduly applied.

Non-payment on the due date of a single invoice shall result in all other invoices whether due or not becoming immediately due by right.

Any amount unpaid 10 days after its due date shall bear interest, by right and without any formal notice, at an annual rate of 8,5% as of the due date increased by a 10% lump sum indemnity with a minimum of 50 Euro to cover administrative costs.

Regardless of the interests and indemnities previously mentioned, any cheque refused for cashing in will give rise to a charge of 25 Euro and of 60 Euro for any bank draft unpaid on its due date. Unless otherwise agreed between the parties, the bank transfer costs will be borne by the client.

The Cotton Group is entitled to unilaterally modify the payment conditions with immediate effect in the following cases:

- The client requires exceptional credit lines;
- The financial situation of the client worsens;
- In case of termination of their agreement for whatever reason;

11. GUARANTEE

At any time, The Cotton Group may require a guarantee of payment. For instance, when a notice period precedes the end of the relationship, The Cotton Group is entitled to request a guarantee of payment for orders made during such notice period.

If it fails to receive the required guarantee of payment, The Cotton Group shall be entitled to delay delivery of outstanding orders or to consider them as null and void. All direct or indirect expenses linked to such delays or cancellations, such as additional delivery costs, shall be borne by the client.

12. FORCE MAJEURE

The goods delivery period is extended by a period corresponding to that during which The Cotton Group is prevented from fulfilling its obligations due to force majeure.

Force majeure is any event beyond the reasonable control of The Cotton Group that affects the performance of its obligations, including but not limited to natural disasters, riots, wars and military operations, national or local emergencies, actions or omissions of the public authorities, economic disputes of whatever nature, actions of employees, fire, flooding, lightning, strikes, explosions, collapses, as well as any action or omission of a person or entity beyond the reasonable control of The Cotton Group among the third parties from which it procures.

If due to force majeure, the delivery time is extended by more than two months both The Cotton Group and the client can elect to cancel the order without the client being entitled to claim any indemnification whatsoever. The Cotton Group is however entitled to be indemnified for the costs it has incurred.

If force majeure occurs whilst the order is partially carried out and force majeure delays the remaining deliveries for more than two months, the client can elect either to keep the already delivered goods and to pay the price or to cancel any order including the already delivered goods provided he returns them to The Cotton Group at its risks and perils and that it is in a position to demonstrate that what has already been delivered can no more be usefully used because of the non-delivery of the other goods.

13. ORDER CANCELLATION

Any cancellation of an order must be in writing. In case of cancellation of an order not justified by force majeure (see above) the buyer is indebted to The Cotton Group for a lump sum indemnity of 25% of the total amount of the order, to cover The Cotton Group's fixed and variable cost as well as the loss of income.

14. RESPECT OF THE IMAGE POLICY

To guarantee uniformity of the image of The Cotton Group trademark, the client commits to promoting the products by using the promotional material provided to him by The Cotton Group in accordance with the image policy of The Cotton Group. The principles of this image policy can be found on the website of The Cotton Group under the tab Image Policy (http://www.bc-collection.eu/docs/BnC_Image_Policy.pdf).

15. APPLICABLE LAW – JURISDICTION

These General Sales Conditions and the contracts to which they apply are subject to Belgian law.

The Courts of Nivelles shall have exclusive jurisdiction for any dispute between the parties with respect to these General Sales Conditions and the contracts to which they apply. The Cotton Group however reserves the right to apply to another court if it deems it useful.

If need be, the provision concerning the applicable law and jurisdiction provided for in the frame agreement between The Cotton Group and the client shall prevail over this provision as far as the interpretation, the performance or the termination of said frame agreement are concerned.