

GENERAL TERMS AND CONDITIONS

Preamble

From time to time a customer (the “**Customer**”) may wish to enter into an agreement to purchase carpets and/or rugs (individually and collectively the “**Goods**”) from Oriental Weavers Textiles S.A.E (the “**Company**”) (Customer and Company shall be individually referred to as “**Party**” and collectively referred to as “**Parties**”). A binding agreement shall be concluded in any one of the following cases or a combination thereof: (a) the Company’s issuance of a proforma invoice to the Customer detailing the price, payment terms and any other details the Company may deem necessary for the sale of the Goods to the Customer (“**PI**”), and the Customer’s issuing a written acceptance of the PI and all terms and details provided therein or (b) the Customer’s issuance of a purchase order (“**PO**”), whether system generated or otherwise, to the Company and the Company’s issuance of an invoice respectively (the “**Purchase Agreement**”).

The Purchase Agreement together with these General Terms and Conditions, and any other purchase agreement(s), and/or purchase orders and/or purchase invoices concluded with the Customer shall comprise a single integrated contract and the breach of any provision of the Purchase Agreement or any other agreement shall constitute a breach of all such agreements.

These General Terms and Conditions shall supersede any and all other provisions and/or terms and conditions provided by the Customer, whether attached to its PO or provided in any other mean, unless the Company agrees to otherwise in writing.

Except where otherwise is provided under these General Terms and Conditions, Incoterms© 2010 shall apply to the delivery of Goods pursuant to the Purchase Agreement and all agreements entered into between the Parties.

The United Nations Convention on Contracts for the International Sale of Goods (the “**Convention**”) shall apply to the Purchase Agreement and any other agreements entered into between the Parties, to the extent that there is any conflict between the provisions of these General Terms and Conditions and the Convention and in such case the provisions of these General Terms and Conditions shall prevail.

These General Terms and Conditions are considered an integral part of the Purchase Agreement.

1. Delivery

1.1 Delivery dates provided upon receipt of a PO are approximate only and are given by the Company to provide the Customer with a preliminary date for planning purposes. A delivery date shall only be confirmed after the Company has issued a PI. If a delay or failure by the Company to deliver by a confirmed delivery date is due to a Force Majeure Event (*as defined herein*), the Company shall not be liable in any circumstances for the consequences of such delay or failure to deliver or perform.

1.2 If the Customer fails to accept delivery of the Goods at the delivery location stated therein due to a Force Majeure Event, any failure by the Customer to comply with its obligations, or for any reason attributed to the Customer, the Company may arrange for storage of the Goods until delivery takes place and charge the Customer with a penalty equivalent to two percent (2%) monthly of the total price of the Goods in addition to the associated costs per month for such storage. In case of the Customer's failure to agree on a future delivery date, the Customer shall pay for any additional costs due to the Customer's failure to accept delivery. Furthermore, the Company may treat its obligation to deliver pursuant to the Purchase Agreement as discharged and it may dispose of or resell the Goods at its own discretion, without prejudice to the Company's rights and claims against the Customer for any and all losses or expenses it may incur as a result of the Customer's failure to receive the Goods in addition to a penalty equivalent to (2%) per month of the total price of the Goods.

1.3 The Company reserves the right to ship the Goods within an acceptable variation of plus or minus ten percent (10%) of the quantity of the Goods stated in the Purchase Agreement together with any related costs unless otherwise expressly agreed to in writing. In this case, the Company shall reimburse the Customer with the price difference in case the Goods shipped are less than the quantity specified in the PO, and the Customer shall be obliged to pay the Company the price of the Goods shipped in excess of the quantity specified in the PO.

1.4 The Company may, at its sole discretion, cancel the delivery of the Goods, or any part thereof, to the Customer without any liability on its part whatsoever.

2. Acceptance

Customer shall have a period of twenty-one (21) days following container clearance to examine the Goods, unless the Customer or a Customer's third-party representative has inspected the Goods at the Company's premises before shipment. After the lapse of said period, the Customer shall be deemed to have accepted the Goods. The Customer agrees that such period is reasonable.

3. Right of Rejection

Save for Clause 2 above, no Goods will be accepted by the Company for return without its express written agreement. If, for any reason, the Customer purports to accept only a proportion of the Goods supplied, it shall be deemed to have accepted the whole of the Goods supplied and the Customer will thereafter not be entitled to reject the remainder of the Goods.

4. Reservation of Title and Payment

4.1 The Goods shall remain the sole and absolute property of the Company as legal and equitable owner until such time as the Customer shall have paid in full to the Company the agreed price stated in the Purchase Agreement.

4.1.1 The Customer undertakes not to grant any rights, liens, pledges, encumbrances, assignments or security of any kind whatsoever over the Goods to any third party. The Customer further undertakes to inform its creditors and/or any receiver or

bankruptcy/insolvency officer that the title and ownership of the Goods is retained by the Company until the agreed upon price is paid in full.

4.1.2 The Customer undertakes to return the Goods to the Company immediately should it be in breach of any of its obligations stipulated in Clause 4.1.1 above, without the need to obtain any court order or decision. However, the Company, at its absolute discretion, may extend the aforementioned period without this extension being considered a waiver of any of its rights. If the Customer fails to return the Goods within the aforementioned period, the Company shall be entitled to claim for compensation equivalent to the value of the Goods, in addition to any costs, expenses (including legal fees), losses and damages of any kind. The Customer further irrevocably agrees to pay these amounts immediately upon the Company's written request.

4.2 In case of the Customer's default or any delay in payment under the Purchase Agreement or any other agreement(s) concluded therewith or becomes insolvent or bankrupt or any event occurs which would threaten the well-being of its financial status, the Company, in its sole discretion, shall be entitled to suspend and/or cancel any further deliveries under the Purchase Agreement or any other agreement(s). Additionally, the Company shall, at its absolute discretion, have the right to demand cash payments in full for any outstanding charges or amounts or demand the immediate return of the Goods at the Customer's expense. Furthermore, the Company shall have the right to request the payment for any future deliveries to be in cash against manufacturing or shipping of the Goods at the Company's absolute discretion.

4.3 The Company has the right to charge interest on overdue amounts at the rate of two percent (2%) per month.

4.4 All claims by the Customer for money due or to become due shall be submitted to the Company in writing and the approval or disapproval of said claims is at the complete discretion of the Company. The Customer shall not be entitled to any set-off or counter-claim in connection with the Company's approval or disapproval of the claim.

4.5 The Company shall be entitled at any time without notice to combine and/or consolidate all or any of Customer's accounts and to consider the Purchase Agreement and any other agreement(s) concluded with the Customer as one integrated contract. Furthermore, the Company shall have the right, to be exercised in its sole discretion, to set-off any amounts received by Customer against any of its then outstanding PIs relating to any other purchase agreement(s) or transactions concluded therewith.

4.6 Unless expressly otherwise stated, all prices (i) exclude shipping costs; (ii) insurance and (ii) are in the currency set out in the Customer's order (as accepted by the Company).

4.7 If any law or regulation to which the Customer is subject requires the latter to deduct any tax from an amount payable to the Company under any Contract, the Customer must increase the amount payable so that, after making the deduction, the Company receives the amount it would have received if no deduction had been required.

5. Warranty & Limit of Responsibility.

5.1 Warranty claims on the part of the Customer assume that the Customer has fulfilled its obligations to inspect the Goods upon its delivery as stated in Clause 2 above and that the Customer immediately reported to the Company in writing any defects that were apparent. Once any Goods have been cut to size or other processing of the Goods has begun, any warranty claims for obvious defects are excluded;

5.2 Slight technically unavoidable deviations in quality, colour, size, weight or design shall not constitute defects. This applies also to deviations that are common to the trade unless the Company has expressly committed in writing to deliver an exact match to the sample pattern.

5.3 Notwithstanding the provisions of Clauses 2 and 3 above, in case the Goods contain any hidden defects which are not visible during the preliminary examination phase provided under Clause 2, the Company hereby agrees to replace or repair any Goods which are found to be defective, within a period of six (6) months from clearance of the Goods in the port. The Company shall have the right to solely decide as to whether or not the Goods are defective. The Company shall have a reasonable period of time to replace or repair the Goods. The Customer's remedies in respect of any claim under the foregoing express warranty or any claim under any condition implied by law or any other claim in respect of the Goods or any workmanship in relation thereto (whether or not involving negligence on the part of the Company) shall be limited to replacement or repair only.

COMPANY DOES NOT MAKE ANY WARRANTY EXCEPT THE WARRANTIES EXPRESSED HEREIN AND DISCLAIMS ANY OTHER WARRANTY WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED OR STATUTORY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. FURTHERMORE, NOTWITHSTANDING ANY PROVISION HEREIN, THE COMPANY SHALL NOT UNDER ANY CIRCUMSTANCE BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES WHATSOEVER.

6. Indemnity

6.1 The Customer agrees, upon demand, to indemnify the Company in full against all losses, damages, injury, costs and expenses of whatever nature (including legal fees) suffered by the Company to the extent that the same are caused by or related to:

- (a) designs, drawings or specifications given to the Company by the Customer in respect of the Goods;
- (b) defective materials or products supplied by the Customer to the Company and used by the Company to produce the Goods;
- (c) the improper incorporation, assembly, use, processing, storage, or handling of Goods by the Customer;
- (d) any claims in respect of any infringement or alleged infringement of any patent, registered design, copyright, trademark or other industrial or intellectual property right resulting from compliance by the Company to the Customer's instructions in relation to the Goods whether express or implied; and
- (e) any breach to the Purchase Agreement including, without limitation, any default, gross negligence, fraud, willful misconduct committed by the Customer.

7. Loss or damage in transit

The Company's liability for any damage that may occur to the Goods during transit shall be in accordance with the agreed upon Incoterm between the Parties. Nevertheless, the Company shall not, in any case whatsoever, be liable for any indirect and consequential damages or losses resulting from any damage to the Goods (or any part thereof) during transit.

8. Acknowledgments and Undertakings by the Customer

8.1 The Customer undertakes to notify the Company in writing upon the occurrence of any event which leads or could lead to its insolvency, bankruptcy or the declination of its financial status;

8.2 The Customer undertakes to use reasonable measures to prevent, mitigate and minimise any loss which the Company may incur, and to cooperate with the Company in taking all reasonable steps to prevent, mitigate and/or minimise such loss.

8.3 The Customer represents and warrants that it is responsible for any document or data it provides to the Company and the latter transmits said data to a third party, and undertakes to indemnify the Company for any losses, damages or costs whatsoever which could result from the Customer's breach of this obligation;

8.4 The Customer acknowledges and accepts that the terms of payment agreed with the Company are final and binding, and that any amendments or extension thereto shall be at the Company's absolute and sole discretion and must be in writing.

8.5 The Customer acknowledges and accepts that the Company may cease any and/or all shipments of the Products if the Customer becomes insolvent or if its financial situation has deteriorated from its situation at the time of entering into the Purchase Agreement;

8.6 The Customer undertakes not to circumvent, avoid or bypass the Company, either directly or indirectly, in order to avoid payments of fees, or otherwise benefit, either financially or otherwise, from any information supplied to it by the Company, or through any form of relationship with any of its suppliers or their representatives, subsidiaries or any other party related thereto.

8.7 The Customer acknowledges and agrees that the Company shall not be under any obligation to ship or deliver the Goods until the Customer has confirmed in writing its acceptance of the PI and all terms, conditions and details included therein.

8.8 The Customer acknowledges and understands that its sole counterparty in the Agreement is the Company and that it does not have any contractual relationship whatsoever vis-à-vis the Subcontractor (*as defined herein*). Furthermore, the Customer agrees that it shall not under any circumstance have the right to claim against the Subcontractor directly in anyway whatsoever.

8.9 The Customer acknowledges and understands that in case the Company is obliged to ship the Goods, the shipper of said Goods is an independent contractor of the Company, and therefore, the Company shall assume no liability of whatsoever nature in relation to any acts of default committed by the shipper including gross negligence, fraud or wilful misconduct, which may lead to damages and/or loss of said Goods (or any part thereof).

9. Assignment and Subcontracting

9.1 The Company shall have the right to subcontract the whole or any part of the Purchase Agreement to any affiliated entity to the Company in its sole discretion (the "**Subcontractor**") without the need to obtain the Customer's approval.

9.2 The Customer shall not assign any of its obligations under the Purchase Agreement to any third party unless after obtaining the Company's prior written approval.

10. Force Majeure

Any incident or circumstances beyond the Company's, such as natural occurrences, war, strikes, lock-outs, shortages of raw materials and energy, obstruction of transportation, breakdown of manufacturing equipment, fire, explosion, or acts of government ("**Force Majeure Event**"), shall relieve Company from its obligations under the Purchase Agreement to the extent Company is prevented from performing such obligations. If the Force Majeure Event lasts for a period exceeding thirty (30) calendar days, either Party shall be entitled to terminate from the Purchase Agreement without any liability towards the other.

11. Confidentiality

11.1 Neither Party may disclose any information relating to (i) payment terms, (ii) pricing and/or (iii) commercial terms, such as delivery details ("**Confidential Information**"), to any third party without the other Party's prior written consent.

12. Termination

12.1 The Company may terminate the Purchase Agreement immediately without notice and without the need to obtain any court order or decision in any of the following cases:

(a) The Customer is declared bankrupt or becomes insolvent or if the Customer is found uncreditworthy, as per the Company's sole assessment and discretion.

(b) The Customer undertakes an act or omission which constitutes fraud, wilful misconduct and/or gross negligence.

(c) The Customer violates its confidentiality obligations stipulated in Clause 11 above.

(d) The Customer fails to make any payment that is due.

12.2 Either Party may terminate the Purchase Agreement by giving no less than thirty (30) days' notice: (a) If the Customer breaches any of its contractual obligations under the Purchase Agreement other than the payment obligations stipulated therein; or (b) without prejudice to Clause 1, the occurrence of a Force Majeure Event.

12.3 The Customer shall be liable to pay a penalty amounting to 5% of the total price of the Goods if the Agreement is terminated by the Company for any of the reasons stipulated under Clause 12.1 above. The Customer shall also be liable to pay a penalty amounting to 5% of the total price of the Goods if the Purchase Agreement is terminated by the Customer for any reason other than the reasons exclusively stipulated under Clause 12.2 above.

12.4 Upon termination of the Purchase Agreement, all payments due to the Company under or arising from the Purchase Agreement shall become immediately due and payable.

12.5 The Company may terminate the Purchase Agreement for convenience at any time subject to providing a thirty (30) day notice to the Customer.

13. Limitation of Liability

To the greatest extent permitted under applicable law, the Company's liability towards the Customer or to any third party, shall only be limited to the Company committing any actions which constitute fraud or wilful misconduct. Furthermore, the Company shall not be liable towards the Customer for any losses, expenses or costs of any kind unless such is a direct consequence of the Company's fraud or wilful misconduct.

14. Governing Law and Jurisdiction

14.1 The Purchase Agreement shall be construed and governed by the laws of the Arab Republic of Egypt.

14.2 The courts of the Arab Republic of Egypt shall have non-exclusive jurisdiction to review and decide on any controversy, claim or dispute arising out of or in connection with the Purchase Agreement.

15. General Provisions

15.1 If any provision of these General Terms and Conditions (or part of a provision) is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted or modified, the provision shall apply with whatever modification is necessary to give effect to the commercial intention of the parties.

15.2 Failure by either Party to exercise or enforce any of its rights hereunder shall not be deemed to be a waiver of such right nor operate so as to bar the exercise or enforcement thereof. Any waiver of any term by the Company will only be effective if it is in writing.

15.3 The Purchase Agreement inclusive of these General Terms and Conditions constitute the entire agreement between the Parties in relation to each sale of Goods.

15.4 If these General Terms and Conditions are made known to Customer in another language in addition to the English language, the English language version shall prevail in case of inconsistency.

15.5 The Purchase Agreement may be executed in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

These General Terms and Conditions shall apply as of 10 February 2019.