

GENERAL TERMS AND CONDITIONS

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 (the “**Company**”). Each purchase agreement into which the Customer and the Company enter (each a “**Purchase Agreement**”) will be subject to the terms and conditions set out below which constitute the Master Purchase Agreement (“**Master Agreement**”).

A binding Purchase Agreement may be established by (a) issuance by Customer of a purchase order (“**PO**”) specifying: (i) the type, form and quantity of the Goods to be purchased (the “**Purchase Goods**”); and (ii) the locations and proposed dates of delivery; or (b) Company making an offer of sale of the Purchase Goods by issuance of a written confirmation and purchase invoice detailing any required financial accessories and price and referencing these General Terms and Conditions (“**PI**”). In the event of any conflict between the terms of this Agreement and the terms of any PI issued pursuant hereto, the terms of the PI shall prevail.

This Master Agreement together with each Purchase Agreement shall comprise a single integrated contract and the breach of one Purchase Agreement shall constitute a breach of all Purchase Agreements.

Save to the extent expressly stated otherwise below Incoterms© 2010 shall apply to the delivery of Goods pursuant to this Agreement and all Purchase Agreements entered into hereunder The United Nations Convention on Contracts for the International Sale of Goods (the “**Convention**”) shall apply to this Master Agreement and any Purchase Agreement entered into thereunder save 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.

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 and received from the Customer any required financial accessories. If a delay or failure by Company to deliver by a confirmed delivery date is due to a force majeure event, 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 Purchase Goods subject of a Purchase Agreement at the delivery location stated therein due to a force majeure event or any failure by Customer to comply with its obligations, the Company may arrange for storage of the Purchase Goods until delivery takes place and charge Customer two percent (2%) monthly, of the total price stated in the Purchase Agreement for the Purchase 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 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 dispose of the Purchase Goods subject of the Purchase Agreement at the market price reasonably available (as determined by Company in its sole discretion) without prejudice to the Company's rights and claims against the Customer for failure to receive the Purchase Goods.

1.3 The Company reserves the right to ship Purchase Goods within a tolerance of plus or minus ten percent (10%) of the quantity of the Purchase Goods stated in the Purchase Agreement together with any related costs unless otherwise expressly agreed to in writing

2. Acceptance

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

3. Right of Rejection

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

4. Reservation of Title and Payment

4.1 The Purchase 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. Until such time as the Customer has paid the agreed price in full and has become the owner of the Purchase Goods, if:

4.1.1. the Customer shall suffer distress or execution to be levied upon him or his property or assets; or

4.1.2 the Customer shall make or offer to make any arrangement or composition with creditors or commit any act of bankruptcy; or

4.1.3. any petition or receiving order in bankruptcy is presented or made against the Customer, any liens or other transfers of ownership as security of the Purchase Goods under reservation of title in favour of the Company, and/or the assignment of any claims in relation to such Purchase Goods, is not permissible.

4.4 Default or delay in payment by the Customer under any Purchase Agreement, or threatened inability to pay, or other worsening of the Customer's financial circumstances, in all cases as determined in the sole discretion of Company, shall entitle the Company to suspend and/or cancel any further deliveries under such Purchase Agreement or any other Purchase Agreement even in case of

provision of required financial accessories, and the Company shall have the right to demand cash payment in full for any outstanding charges and against delivery as a condition to proceeding with further deliveries.

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

4.6 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.

4.7 The Company shall be entitled at any time without notice to combine and/or consolidate all or any of Customer's accounts. 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 Pls.

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 as stated in condition 2.1 above and that the Customer immediately reported to Company in writing any defects that were apparent. Once any Goods have been cut to size or other processing of the Purchase 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 The Company warrants, in relation to the Purchase Goods, that the Purchase Goods shall be free from material defects, and the Company shall replace or repair any Purchase Goods which are found, within a period of six (6) months from clearance of the Purchase Goods in the port, to be defective with the Company having the right to be the sole arbiter as to whether or not the Purchase Goods are defective. The Company shall have a reasonable period of time to replace or repair the Purchase 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 Purchase 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 and any warranty implied by law or otherwise shall cease to apply after the expiration of the three (3) month warranty period.

COMPANY DOES NOT MAKE ANY WARRANTY EXCEPT THE WARRANTIES EXPRESSED HEREIN AND DISCLAIMS ANY OTHER WARRANTY WHETHER EXPRESS OR IMPLIED, ARISING BY LAW OR CUSTOM, INCLUDING BUT NOT BY WAY OF 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.

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 expenses) 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 Purchase Goods;

(b) defective materials or products supplied by the Customer to the Company and incorporated by the Company in the Purchase Goods;

(c) the improper incorporation, assembly, use, processing, storage, or handling of Purchase 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 Purchase Goods whether express or implied.

7. Loss or damage in transit

The Company accepts no responsibility for any damage to or loss of Purchase Goods in transit. Claims for damages or loss in transit should be made on the carrier and any condition imposed by the carrier in relation to claims for damage or loss in transit should be complied with.

8. Subcontractor

The Company shall have the right to subcontract the whole or any part of a Purchase Agreement.

9. Termination

This Agreement and each Purchase Agreement then outstanding shall terminate immediately upon the initiation by or against Customer of any proceeding under any bankruptcy or insolvency laws, the adjudication of Customer as a bankrupt or insolvent, the appointment of a receiver, liquidator or trustee for or with regard to Customer or any part or all of its property, or a general assignment by Lessee for the benefit of creditors (in all cases, whether voluntary or involuntary). Upon any termination of this Agreement and each Purchase Agreement then outstanding under this Section 9 Customer shall, immediately, without invoice: pay all amounts remaining due and owing from Customer to Company.

9. Jurisdiction

Any controversy, claim or dispute arising out of or in connection with this Master Agreement or any Purchase Agreement entered into or the breach, termination or validity thereof which cannot be settled amicably by the Parties, shall be finally and exclusively settled by arbitration in accordance with the Rules of Arbitration of the Cairo Regional Centre for International Commercial Arbitration at the date hereof by three (3) arbitrators appointed in accordance with the said Rules. Arbitration shall be conducted

at the Centre in Cairo, Egypt in the English language and transcripts of such proceedings shall be prepared in the English language. The arbitral tribunal shall have the competence to decide whether the Parties entered into a valid and enforceable arbitration agreement. The cost of the arbitration, including expenses and reasonable attorney's fees shall be allocated among the Parties in correlation to winning and losing; the arbitral tribunal shall allocate the bearing of the costs in exercising its discretion solely guided by its decision. The arbitration shall be in lieu of any other remedy and the award shall be final, binding and enforceable by any court of competent jurisdiction. Notwithstanding the foregoing, either Party shall be entitled to the remedies of injunction, specific performance and other equitable relief in respect of any actual breach or threatened breach of this Master Agreement or any Purchase Agreement awarded by any court of competent jurisdiction. The Parties undertake to keep confidential the fact of any dispute, all briefs and all documents, and any communication, including any award or resolution, not otherwise in the public domain, save and to the extent that disclosure may be required of a Party by legal duty, to protect or to pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a court.