

GENERAL SALES AND DELIVERY CONDITIONS FOR DELIVERIES FROM THYGESEN FABRICS A/S

1. Sales and Delivery Conditions

Unless otherwise agreed in writing between buyer and Thygesen FABRICS A/S (hereafter Thygesen), any sale should be in accordance with the sales and delivery conditions mentioned below. Thus these conditions are valid irrespective of possible conflicting or diverging conditions in buyer's valid ordinary conditions or other documents issued by buyer.

2. Quotation

Quotations not stating a special deadline for confirmation will lapse if Thygesen has not received a confirmation within 30 days from the date of the quotation. If nothing else has been agreed, an offer is valid for 3 months.

3. Delivery

The delivery conditions agreed upon are interpreted in accordance with the Incoterms valid at the time of the entering of the contract, at present Incoterms 2000.

Thygesen cannot make delivery to buyer until a guarantee from a credit insurance company is available. If a delivery exceeds the total insured outstanding debts, Thygesen reserves the right to demand payment of undue invoices, unless otherwise agreed upon in writing. Thygesen cannot be held responsible for delays resulting from a guarantee not being available on time.

Thygesen reserves the right to deliver ordered quantities with a margin of +/- 10%, unless otherwise is agreed upon in writing by the parties. The usual reservation is made for strikes and force majeure. In the cases mentioned, Thygesen reserves the right to cancel the order or postpone delivery without any obligation to compensate for any proven losses caused.

Orders delayed in delivery for more than 30 days may be cancelled by buyer. If such cancellation is wished for, this should be informed in writing to Thygesen. If written cancellation is not made, buyer cannot return goods pleading late delivery. On buyer's cancellation Thygesen is not liable to compensate for extra costs, loss of profits or other indirect losses unless Thygesen has acted by gross negligence. In this case compensation cannot exceed 10% of the agreed purchase price. If it is agreed that Thygesen is to take care of dispatching the goods, dispatch is made in the way Thygesen finds most suitable at any time.

4. Payment

Payment should be made in accordance with the order confirmation. If the credit time is exceeded, buyer is liable to pay interest on the amounts due at the interest rate fixed by Thygesen at any time, at present 2,0% per month commenced.

5. Quality

Sale is taking place in accordance with samples shown and the product specification, and Thygesen renounces any responsibility regarding quality when such deviations do not exceed from what is considered usual within the trade according to a statement obtained from an impartial, production minded person, experienced in the trade.

6. Examination Duty and Complaints

Buyer is liable to check the goods on receipt. If the goods are delivered to another address than the business address of the

buyer, buyer is liable to see that the goods are examined on receipt. If buyer – based on the examination – pleads that the consignment is insufficient or defective, he must – in case of visible defects – complain to Thygesen no later than 7 days after delivery by Air or Truck, and no later than 3 days after delivery by Ship. Regarding hidden defects, which are discovered in the cutting process, production should be ceased immediately and a complaint made. Thygesen will then examine the goods immediately and evaluate the possibilities of a repair/replacement delivery. Buyer cannot claim compensation for cut fabric.

A complaint should contain an exact description of the defects and flaws and should be accompanied by samples or other material enabling Thygesen to evaluate the defects complained about. If a complaint is accepted by Thygesen, the company alone is liable to replace or credit the goods by own choice. Thygesen will not be held responsible for more than the value of the delivered goods, and Thygesen is under no circumstances responsible for costs, cost increasing covering purchases from other sources, loss or profits or other direct or indirect losses.

Thygesen shall be liable for personal injury only if it is proved that such injury was caused by negligence on part of Thygesen or others for whom Thygesen is responsible. Thygesen shall not be liable for damage to property occurring whilst the works are in the position of buyer. Nor shall Thygesen be liable for damage to products manufactured by buyer, or to other products of which buyers products form a part. Apart for these limitations, Thygesen shall be liable for damage to property on the same conditions as for personal injury.

7. Agreements with Thygesen FABRICS A/S

An order is considered accepted by Thygesen when an order confirmation has been issued.

8. Proprietary Rights

The proprietary rights for the delivered goods remain with Thygesen until payment has been made in full. If Thygesen finds that there is a risk that the buyer will not be able to pay for the delivered goods at maturity, Thygesen may retain non-delivered goods until the time when Thygesen has been secured a satisfactory guarantee of payment.

9. Choice of Law and Venue

Any dispute arising concerning delivery conditions or deliveries from Thygesen is settled by the Courts of Herring by the Danish Supreme Court (Vestre Landsret). Possible disputes are settled in accordance with the provisions of Danish law.