

General Conditions of Sale of Sapana Women Skill Development Project

1 Definitions

1.1 In these General Conditions the terms listed below have the following meaning, unless otherwise expressly stated:

- a. **Sapana WSDP:** The Tharu Dauw Women Skill Development Project (working name Sapana Women Skill Development Project);
- b. **Client:** the party that gives Sapana WSDP the Assignment for the supply of Products;
- c. **Assignment:** the request from the Client to Sapana WSDP to supply Products against payment;
- d. **Product:** the object, of any nature whatsoever, that is produced and/or supplied by the Sapana WSDP in the context of the Assignment, either directly or indirectly, all of this in the broadest sense of the word;
- e. **Offer:** an offer from Sapana WSDP to the Client to supply Products;
- f. **Agreement:** the rights and obligations of Sapana WSDP and the Client arising from the Offer and the Assignment, as confirmed by Sapana WSDP in writing;
- g. **Party/Parties:** Sapana WSDP and/or the Client;

2 General

2.1 These General Conditions apply to all Offers, Assignments and Agreements between Sapana WSDP and the Client, except insofar as the Parties have expressly departed from these General Conditions in writing.

2.2 These General Conditions also apply to all Agreements between Sapana WSDP and the Client in the performance of which Sapana WSDP uses the services of third parties.

2.3 Any additions to or departures from these General Conditions will be valid only if expressly agreed in writing.

2.4 The applicability of any conditions of the Client is expressly excluded.

2.5 If one or more of the provisions of these General Conditions is/are void or is/are declared void, the other provisions of these General Conditions will continue to apply. Sapana WSDP and the Client will agree on new provisions to replace the provisions that are void or that have been declared void, whereby the purpose and scope of the original provisions will be observed.

3 Offers and Assignments

3.1 All Offers from Sapana WSDP will be without commitment and will be valid for two months, unless otherwise expressly stated in the Offer.

3.2 All information provided in the Offer, including the pictures and drawings, is provided by Sapana WSDP to the best of its knowledge and ability. The Client is aware that the information provides a general impression of the Products offered, but can not base any rights on that information.

3.3 Prices and offers referred to in the Offer will not automatically apply to future Assignments.

3.4 Sapana WSDP will have the right to withdraw the Offer within five (5) working days after the Client has accepted the Offer.

3.5 Offers must be accepted by the Client in writing.

3.6 Cancellation of all or part of the Assignment by the Client must take place in writing within five (5) workdays after the confirmation of the Assignment by the Client. All costs already made at that time by Sapana WSDP in the context of the Assignment must be paid by the Client.

3.7 If the Assignment differs – whether or not on minor points – from the Offer, Sapana WSDP will not be bound by the Assignment. In that case a new offer will be made by Sapana WSDP.

4 Price and amount of order

4.1 The prices in the Offer will be in Euro's or US dollars, will be exclusive of VAT and other government charges and will be exclusive of the costs of delivery.

4.2 The minimum amount of order is fifty (50) Products of one particular design, unless otherwise agreed on in writing.

5 Time

5.1 If Sapana WSDP has stated a term for production in the Offer or in the Agreement, that term will be indicative only, unless Parties have expressly agreed otherwise.

5.2 When Sapana WSDP exceeds the term for production for the first time within the Agreement, this will not be regarded as breach of contract by Sapana WSDP and will not entitle the Client to any damages or dissolution of the Agreement.

5.3 As soon as Sapana WSDP knows that the term for production will be exceeded, Sapana WSDP will inform the Client of this and will set a new indicative term for production. The maximum extension period will be the same as the first period.

5.4 If Sapana WSDP exceeds the term for a second time, Sapana WSDP and the Client will consult again. This second exceeding of the term will not give the Client the right to claim any damages, but only to end the Agreement if Sapana WSDP is to blame for the exceeding of the term. If both Parties so wish, Sapana WSDP will submit a new offer to the Client.

6 Changes in the Agreement

6.1 If it is necessary during the performance of the Agreement to make changes in the Agreement, the Parties will make these changes together in consultation in a timely manner and in writing.

6.2 Any additional costs resulting from changes in the Agreement will be payable by the Client.

6.3 If the Client wishes such changes during the performance of the Agreement that, in Sapana WSDP's opinion, the Agreement can no longer be performed, Sapana WSDP may end the Agreement without owing any damages on that ground.

7 Delivery of Products

7.1 Delivery will be Ex Works (EXW) Incoterms 2000 (<http://www.i-b-t.net/incoterms.html>), unless one of the other Incoterms of the International Chamber of Commerce (ICC), has been agreed on in writing. The Products will be deemed to have been delivered as soon as they have left the offices and/or warehouses of Sapana WSDP or of Sapana WSDP's supplier. Sapana WSDP will be responsible for the production, storage and packing for shipment of the Products.

7.2 Sapana WSDP may arrange for transport of the Products at the Client's request. In that case the time, the manner of transport and the transport route will be at Sapana WSDP's option, unless Sapana WSDP has accepted in writing other instructions from the Client on that point. Sapana WSDP will take out transport insurance only at the Client's express request. All costs related to that insurance will be payable by the Client.

7.3 Any delivery terms specified by Sapana WSDP will be approximate and without any commitment, unless Sapana WSDP expressly guarantees a specific delivery term in writing.

7.4 Late delivery will not obligate Sapana WSDP to pay any damages, nor will it entitle the Client to suspend the fulfilment of its obligations towards Sapana WSDP.

7.5 In the event of return shipments for any reason whatsoever, the costs involved will be payable by the Client and the Products will be transported at its risk, unless otherwise agreed. Only after actual receipt of the Products by Sapana WSDP will the return shipment have been completed.

8 Warranty and complaints

8.1 The Client must inspect the Products immediately after delivery for any defects.

8.2 Any defects of the Product known to the Client upon delivery will be repaired free of charge by Sapana WSDP.

8.3 Sapana WSDP will give a warranty of three (3) months on the Product, starting on the date of their delivery, unless Sapana WSDP has set a different term in the Agreement.

8.4 Complaints regarding the quality of Products supplied by Sapana WSDP must be made known to Sapana WSDP by the Client in writing, failing which Sapana WSDP will be regarded to have delivered the Products to the Client entirely in accordance with Sapana WSDP's obligations.

8.5 Warranty provisions will apply only if the Products are used in accordance with their intended use.

8.6 The Client is aware that a certain fabric or print can not be guaranteed. A specific Offer on the available fabrics and designs will be made at the moment of Order. Every subsequent Order can involve a differing fabric or print. If the Client wants to be guaranteed a certain fabric or print, a new Offer needs to be requested by the Client before every order.

8.7 The Client cannot refuse to take delivery or demand replacement or repair, from any discoloration of textile or fibres that is unavoidable from a technical perspective or that is generally accepted in trading practice, or from minor deviations of another nature, such as minor changes in the construction and/or dimensions that do not essentially change the appearance of the Product in relation to the Offer and/or drawing and/or in the event of subsequent orders.

9 Liability, damage and insurance

9.1 Sapana WSDP will not be liable for:

- a. misunderstandings, errors or shortcomings by Sapana WSDP, if they are related to or caused by actions of the Client, such as failure to supply full, proper and clear information;
- b. damage to the Client or third parties (or their property) caused by improper use of the Product or arising from the properties of the Product;
- c. defects in offers from suppliers or the exceeding of quotations of suppliers;

9.2 Except in the event of intent or gross recklessness of Sapana WSDP, Sapana WSDP's liability for loss on the grounds of the Agreement or a wrongful act committed towards the Client will be limited to the invoice amount that relates to the part of the Agreement performed, reduced by the out-of-pocket expenses incurred by Sapana WSDP and the costs of engaging third parties, and will in any event at all times be limited to the amount that Sapana WSDP's insurer pays Sapana WSDP in the case in question.

9.3 Any and all liability will end one year after the moment at which the Agreement was completed.

9.4 The Client will be required, if reasonably possible, to keep copies and/or samples of data and materials made available by it until the Agreement has been completed. If the Client fails to do so, Sapana WSDP cannot be held liable for any loss that would not have occurred if those copies and/or samples had existed.

10 Indemnification

10.1 The Client indemnifies Sapana WSDP against any third-party claims regarding the Products supplied by Sapana WSDP, unless otherwise apparent from these General Conditions.

10.2 The Client indemnifies Sapana WSDP against any claims from third parties who incur loss in connection with the performance of the Agreement if and insofar as the loss is due to the Client, subordinates of the Client and/or third parties engaged by the Client in connection with the performance of the Agreement.

10.3 The Client indemnifies Sapana WSDP in particular against any and all claims from third parties regarding portrait rights and/or intellectual property rights in respect of data or material provided by the Client that are used in the performance of the Assignment.

11 Suspension and ending of Agreement

11.1 Sapana WSDP will have the right to suspend the further performance of the Agreement if the Client in any way fails to fulfil its payment obligation(s) and/or fails to make the required down payment.

11.2 Suspension by Sapana WSDP as described in paragraph 1 of this Article will not affect the Client's payment obligation(s). The consequences of suspension will be entirely for the Client's account and risk.

11.3 In the event of breach on the part of the Client in the fulfilment of one of its obligations under the Agreement concluded with Sapana WSDP, Sapana WSDP will give the Client written notice of default and will set a reasonable period within which the Client may fulfil its obligation after all.

11.4 If the Client is in breach of performance also within that period, Sapana WSDP will have the right to dissolve the Agreement in whole or in part, all of this without prejudice to Sapana WSDP's statutory right to claim compensation of the loss incurred.

11.5 A shortcoming cannot be held against a Party if it is due to a circumstance for which it is not to blame and that is not for its account by law or pursuant to a legal act or generally accepted principle.

11.6 In the event of full or partial ending of the Agreement by the Client, all the costs incurred by Sapana WSDP directly or indirectly in the context of the Agreement will be charged to the Client in full, increased by the costs involved in the dissolution.

12 Payment and collection

12.1 All payments must be received by Sapana WSDP within 30 (thirty) days of the invoice date, unless otherwise agreed in writing.

12.2 If at the end of that period Sapana WSDP has not yet received full payment, the Client will be in default by operation of law and will owe interest equal to the statutory interest.

12.3 The Client shall pay 50% of the total agreed amount in advance to Sapana WSDP. Sapana WSDP will not start the production until the Client has made this down payment. Sapana WSDP will have the right at the start of the Agreement to demand full or partial payment in advance of the total agreed amount.

12.4 In the event of payment by bank or giro, the date of crediting of Sapana WSDP's bank or giro account will be regarded as the date of payment.

12.5 All costs incurred by Sapana WSDP, such as costs of legal proceedings and judicial and extrajudicial costs, including the costs of legal assistance, bailiffs and collection agencies, incurred in connection with late payment, will be payable by the Client. The extrajudicial costs are set at at least 15% of the invoice amount, subject to a minimum of € 500,- (five hundred euros), without prejudice to Sapana WSDP's right to claim the actual costs if those costs are higher.

12.6 If the Client's financial position deteriorates after the conclusion of the Agreement but before the supply of the Products by Sapana WSDP, and Sapana WSDP can reasonably foresee that such deterioration will jeopardise the fulfilment of the obligations by the Client, Sapana WSDP will have the right to suspend the supply or to demand an amendment to the payment conditions.

12.7 The Client will owe the purchase price even if the Products are lost or if their value is reduced due to an event of force majeure on the part of Sapana WSDP.

13 Retention of title

13.1 The Products supplied by Sapana WSDP will remain Sapana WSDP's property until the moment of full payment by the Client of any and all amounts that it owes Sapana WSDP. The entire risk in the Products will be borne by the Client as from the moment of delivery.

13.2 The Client must reimburse to Sapana WSDP all the costs that Sapana WSDP must incur in having its ownership rights acknowledged and maintained, including the costs of legal assistance on the part of Sapana WSDP.

13.3 Sapana WSDP will have the right to take back the Products if it may reasonably be assumed that the Client will be unable to fulfil its obligations. The above will be without prejudice to Sapana WSDP's other rights arising from the breach in the performance by the Client, including but not limited to damages.

13.4 The Client will be required to insure the risk of fire, theft and other damage to the Products that have not or not yet been paid for or paid for in full, and to provide evidence of such insurance at Sapana WSDP's request.

14 Intellectual property

14.1 All (possible) intellectual property rights, including but not limited to patent, drawing, design, trademark and database rights and copyrights, that arise from the Agreement and/or apply to the Products, will be vested in Sapana WSDP, unless otherwise expressly agreed on in writing. Insofar as such a right can be obtained only by means of a filing or registration, only Sapana WSDP will be entitled to do so.

14.2 The copyrights regarding the Products will be vested in Sapana WSDP if the Client or a third party, without any written transfer of copyrights, makes the Products public as originating from it or has them made public in the manner described in Article 8 of the *Auteurswet 1912* (1912 Copyrights Act).

14.3 Unless otherwise agreed in writing, Sapana WSDP may at any time state his name on or remove his name from the Products (or cause the same to be done) in the customary manner and the Client will not be permitted without prior permission to make the Products public (or cause the same to be done) without stating Sapana WSDP's name, within the meaning of Articles 12 of the Copyrights Act.

14.4 The working drawings, illustrations, prototypes, designs, design sketches, films and other materials and electronic or other files are and will remain Sapana WSDP's property, irrespective of whether they have been made available to the Client or to third parties.

14.5 Without Sapana WSDP's express prior written consent, the Client will not be permitted to make any changes, in any manner whatsoever, in or on the Products and/or their packaging. If the Products are delivered to third parties, they must be delivered in exactly the same condition as that in which they were delivered by Sapana WSDP.

15 Disputes

15.1 These General Conditions, all Offers and Assignments and all other Agreements concluded between the Parties will be governed by Dutch law, irrespective of the Client's domicile and/or nationality and irrespective of the place of delivery of the Products.

15.2 The Court of Amsterdam, the Netherlands, will have exclusive jurisdiction to hear and decide on any disputes arising from these General Conditions and/or Offers and/or Assignments and/or other Agreements concluded between the Parties.