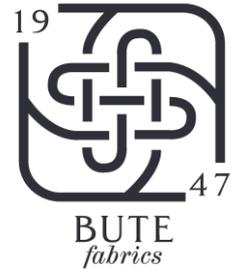


Conditions of Sale/

Bute Fabrics Limited



1. Any order placed with Bute Fabrics Limited (hereinafter referred to as "The Company") shall be deemed to incorporate the following terms and conditions which on acceptance by the Company of the order shall form the terms and conditions of the contract. The person, persons or Company from whom the order has been received is/are hereinafter referred to as "The Customer".

2. The goods delivered will be in accordance with the details given on the official order acknowledgement or any amendments agreed thereto, the specifications, dimensions, colours and batch variations, being subject always to the tolerances customary in the trade.

3. At the time of placing the order the prices quoted in the Company's official order acknowledgement will remain firm on all contracts and orders accepted and confirmed for delivery within 2 months from the date of order acknowledgement. Prices for deliveries beyond the aforementioned period may be subject to amendment for any allowable cost increases which will include any increases in textile fibre prices or other items or materials required for the manufacture of the goods and the quoted prices shall be adjusted by such an amount as shall fairly represent the increase or decrease in costs to the Company. The Contract/Order is accepted subject to the availability of any wool fibre or other material which may be required to fulfil the Contract/Order.

4. The Company will make every effort to carry out the terms of the Contract but no liability will be accepted in respect of deliveries delayed or suspended as a result of any act of God, War, Flood, Strike, Lock-out, Breakdown, Accident, Government Control or Restriction of Supplies for Industry, or any other Industrial Action or any Contingency beyond the control of the Company directly or indirectly preventing or delaying the performance of this contract. In the event of any of the said contingencies arising the Company shall be entitled to suspend deliveries under the Contract.

5. The failure of the Company to deliver any of the Goods specified overleaf shall not invalidate the Contract as to the remainder of the Goods and the Company shall be entitled and the Customer shall be bound to complete the Contract so far as it concerns the remainder of the Goods.

6. The Goods will remain the property of the Company until such time as they are accepted by the Customer at the point of delivery and all debts owed by the Customer are settled (per 12 below). For this purpose the point of delivery is reached on the happening of any of the following events:-

- Delivery by the Company's Vehicle to the Customer's premises.
- Delivery by a Carrier employed by the Company at the Customer's premises.
- Collection by the Customer or his appointed representative at the Company's premises.
- Collection by a Carrier hired by the Customer.
- Collection by the Customer or his appointed representative at any other place as shall be mutually agreed.
- Delivery F.O.B. (Free on Board Ship or Aircraft within the United Kingdom) as defined by the International Chamber of Commerce.

Claims arising out of damage, delay or partial loss of goods in transit must be made in writing to the Company and to the Carrier so as to reach them within three days of delivery and claims for non-delivery within twenty-eight days of the Customer being notified of the despatch of the goods. It is the responsibility of the Customer to examine the goods on receipt. It is not sufficient to state "conditions unknown", "not examined" etc.

7. If no date of delivery is specified in the order the goods will be despatched as and when available. In the event of the Customer requesting a delay in delivery, the goods will not be held in stock longer than one month and any such goods still in stock at the expiration of the said period of one month will be invoiced to the Customer. In addition the Customer shall be bound to pay a charge for the cost of storage of the goods.

8. The Company's liabilities in terms of any Contract shall be limited as provided herein which are in lieu of and to the exclusion of all other obligations, warranties, representations and conditions expressed or implied statutory or otherwise except those that cannot be lawfully excluded. The Company shall not be liable for any direct, indirect or consequential loss or damage whatsoever and howsoever caused save only for direct losses arising from death or personal injury caused as a result of the Company's negligence or the negligence of its employees or save other losses which cannot lawfully be excluded. In particular and without prejudice to the foregoing the Company shall not be liable for any loss arising from the Customer's Plant or Machinery standing idle due to late delivery of the goods nor shall the Company be responsible for any loss or profit or other consequential damage arising from any claim.

9. The Company shall make every effort to ensure that goods are delivered in good condition and will give full consideration to any complaint, provided that notification is given within 7 days after receipt of goods. The Company will not be responsible for any further process of manufacture of seating, screens etc. or any consequential costs following receipt of fabric.

10. In the event of the Customer becoming insolvent or bankrupt or signing a Trust Deed or compounding his Creditors or appointing a Receiver or Liquidator the Company may at their option withhold all further deliveries of goods and resile from this Contract and any other Contract between the Company and the Customer without liability to the Company in respect of such a withholding of deliveries or resiling and without prejudice to any rights and claims the Company may have against the Customer in respect of deliveries already made.

11. The payment terms are as follows:-

Unless otherwise agreed payment shall be made in pounds Sterling and shall become due no later than the end of the month following the date of invoice. Interest will be charged on all amounts remaining unpaid on the due date. The rate of interest shall be 8% above the Bank of England Minimum Lending Rate.

The goods may only be returned by previous arrangement with the Company.

12. The property in all goods delivered by the Company to the Customer shall remain with the Company until all debts owed to the Company by the Customer, including any balances existing, are settled, but risk thereon shall pass to the Customer on delivery (as defined in 6 above). So long as property in the goods shall remain with the Company, the goods shall be set aside from the Customer's general stock of goods, shall be marked with an indication that they remain the property of the Company and the Customer shall allow the Company access to its premises to verify that this has been done and the Company shall have the right to enter the Customer's premises in order to

repossess the goods in the event of failure to pay all debts owed to the Company within the agreed payment terms.

13. This Contract shall be interpreted in accordance with the Law of Scotland. Any dispute or difference which may arise between the Company and the Customer on any matter relating to the Contract shall be referred to Arbitration of a single person acceptable to both parties or failing agreement to some single person appointed by the President for the time being of the Confederation of British Industries. The decision of that person shall be final and binding.

14. Quality is of prime importance to Bute Fabrics. We endeavour to make the finest natural material upholstery fabrics and to match that our fabrics need to be upholstered by fully trained and experienced fitters. We cannot be held responsible for any issues before or after installation that could have been avoided by proper fitting and upholstering. It is the responsibility of the upholsterer to employ an effective seam construction using an appropriate needle type, sewing thread and stitching for the fabric and furniture design being upholstered. The use of different fabrics on the same design of a furniture piece may require different seam constructions. It is possible for fabrics which are approved for upholstery to display fraying problems. This may occur if the following recommendations are not employed –

- The stitch lengths should be such that there is a minimum of 10 stitches per inch
- A seam allowance of a half inch should be used
- Over-locking should be used for all loosely woven fabrics
- Over-locking should be used on seat cushion seams
- Taping may be needed as an additional safeguard of stitching. A quarter inch tape stitched across and along the seam may be necessary to prevent fraying in high load areas such as corners and seatbacks. This may need to be employed after the upholsterer has carried out appropriate tests of specific fabrics to be used on specific furniture designs.

15. Orders for bespoke fabrics are accepted by the Company on the basis of the final meterage, as manufactured, delivered and invoiced, must be taken by the Customer.

Enquiries

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