

U.S. General Terms and Conditions of BUNNIK CREATIONS USA INC.

1 Definitions

- 1.1 Agreement: shall mean the agreement between the Customer and BC for the delivery of Products.
- 1.2 Customer(s): shall mean any natural person or business entity with whom BC and its employees deal in the course of its business, including representative(s), agent(s), successor(s) and including visitors of the BC websites.
- 1.3 BC: shall mean Bunnik Creations USA Inc., including authorized agents and representatives.
- 1.4 Party or Parties: shall mean BC and Customer, individually or collectively.
- 1.5 Product(s): shall mean the BC products provided or to be provided pursuant to the Agreement, including but not limited to ceramic pots, glassware and other decorative items made from a wide variety of materials.
- 1.6 Terms and Conditions: shall mean these U.S. General Terms and Conditions of BC.

2 Applicability

- 2.1 These Terms and Conditions apply to all offers of BC and exclusively govern the relationship between BC and Customers, and any Agreement or other agreements between BC and Customers, and any subsequent amendment to any agreement or the Agreement, including any agreements for Products that are provided to a Customer free of charge, are intended solely for advertising purposes, or are samples. These Terms and Conditions shall be applicable even if BC uses third parties to assist with the Agreement or the perform under the Agreement, including but not limited to invoicing and delivering of Products.
- 2.2 No other terms and conditions shall be binding upon BC unless accepted by it in writing. BC expressly rejects any general terms and conditions used by Customer. Customer may issue a purchase order for administrative purposes only. Additional or different terms and conditions contained in any such purchase order will be null and void and do not bind BC.
- 2.3 BC reserves the right to amend these Terms and Conditions at any time. New or amended general terms and conditions shall be applicable upon thirty (30) days notice to Customer.
- 2.4 In case of inconsistencies between the terms of an Agreement and those contained in these Terms and Conditions, those in the Agreement shall control.
- 2.5 The provisions of these Terms and Conditions will not impair any rights that BC may otherwise have under any applicable law.

3 Offers and Acceptance

- 3.1 All offers of BC are non-binding and may be revoked at any time, unless BC stated otherwise in writing. Any amendments made by BC in writing shall entail a new offer, automatically revoking the previous offer. Any amendments by Customer of a BC offer will be deemed a new offer by Customer, which BC may accept or reject in its sole discretion.

- 3.2 Offers will only be deemed accepted by BC if it does so in writing. All information, data or undertakings provided verbally or in documentation, price lists or other material related to the Products, whether in electronic or any other form, are binding only to the extent that they are by reference expressly included and confirmed in writing in the Agreement with BC.
- 3.3 All offers are based on the information and documentation provided by Customer, and BC may rely on the accuracy thereof. Customer warrants the accuracy, completeness and reliability of the information and documentation, even if it originates with or is acquired from third parties.
- 3.4 Customer hereby understands and accepts that all samples, drawings, models, figures, dimensions, weights, statements by BC or any other specifications for Products are estimates only, and for demonstrative purposes, and although BC will use best efforts to ensure their accuracy, it cannot guarantee the absence of anomalies.
- 3.5 All information and documentation provided by BC with an offer, whether such offer is accepted by Customer or not, shall remain the sole and exclusive property of BC.

4 Prices and Taxes

- 4.1 Configurations and prices of Products are subject to change at any time, and BC shall at all times be entitled to modify price lists, brochures, printed matter, quotations and other documents. Customer agrees to any such changes of prices or configurations if it does not object in writing to BC within seven (7) business days of when Customer receives an invoice incorporating said changes. However, Customer will not be entitled to make written objections for modifications to configurations and prices made by BC as a result of circumstances that were unforeseeable at the time the Agreement was entered into, including but not limited to a newly-enacted right or obligation under the law, or a material increase in production costs and/or in the price of raw materials.
- 4.2 All prices are exclusive of, and Customer shall pay, all taxes, duties, levies or fees, or other similar charges imposed on BC or Customer by any taxing authority (other than taxes imposed on BC's income), related to Customer's order, unless Customer has provided BC with an appropriate resale or exemption certificate for the delivery location, which is the location where Products are used. In case of changes in law such that a tax is levied that is or becomes irrecoverable with a consequent increase to the costs to BC of delivering the Products, BC is entitled to increase its prices accordingly and retro-actively to such an extent.
- 4.3 All Agreements for the delivery of Products to Customer shall be treated as separate agreements.

5 Payment

- 5.1 Customer agrees to pay, without the right to set-off any amount, all invoiced amounts within fourteen (14) days of the invoice date, unless stated otherwise in the Agreement or on the invoice. However, all amounts will be due immediately, in case Customer terminates or suspends all or a substantial portion of its business activities, becomes insolvent, admits its inability to pay its debts, or in case of the voluntary or involuntary filing of a petition for or adjudication of bankruptcy of Customer under any federal, state or municipal bankruptcy or insolvency act, the appointment of a receiver, trustee, custodian, or liquidator, or any act or action constituting a general assignment by Customer

of its properties and/or interest for the benefit of creditors.

- 5.2 Where payment is not made within the terms set forth in this article, contractual interest shall be owed at a rate of 1.5% a month, or the highest rate allowed by law, if lower, with effect from the first day following expiration of the payment term referred to in this article; part of a month shall be considered a full month.
- 5.3 Payments made by Customer shall always be used first to meet all the interest and costs owed and subsequently for the settlement of claims under the Agreement which have remained outstanding for the longest period of time, even when Customer specifies that the payment relates to another claim.
- 5.4 Customer shall not be entitled to refuse to discharge or to suspend the discharge of its payment obligations on account of alleged disturbance of, defect or error in the Products or on any other account whatsoever.
- 5.5 If BC believes that Customer's financial position and/or payment performance justifies such action, BC has the right to demand that Customer immediately furnish security in a form to be determined by BC, including but not limited to an Article 9 UCC security right, and/or make an advance payment. If Customer fails to furnish the desired security, BC has the right without prejudice to its other rights, to immediately suspend the further execution of the Agreement, and that which Customer owes to BC for whatever reason will become immediately due and payable.
- 5.6 Customer shall be liable for amounts which BC incurs to collect payment, including without limitation, collection agency fees, reasonable attorneys' fees and arbitration or court costs.

6 Delivery, Risk of Loss, and Title

- 6.1 BC shall deliver the Products in accordance with the Agreement. Delivery times and dates are merely estimates, as well as lead times or any other deadlines, and BC cannot be held liable for any damages as a result of delay in delivery of the Products. Unless otherwise agreed in writing, failure to meet delivery times or delivery dates stated shall never be considered fatal, and if the time for delivery is exceeded, Customer shall notify BC of such in writing. Customer shall not be entitled to cancel or terminate the Agreement, or to claim any damages.
- 6.2 Unless otherwise agreed in writing, BC will not commence any of its obligations under the Agreement until any necessary information required of Customer has been provided to BC, and such information is accurate and complete.
- 6.3 BC is entitled to engage the services of third parties for the execution of an Agreement. BC is entitled to make partial deliveries. Unless agreed in writing differently, delivery shall be made ex works as this term is specified in the Incoterms 2010. Customer must accept delivery of Products during normal business hours, failing which all costs arising thereof (including storage charges and freight charges) shall be charged in conformity with BC's rates or local charges.
- 6.4 The risk of loss or damage of Products shall pass to Customer at the moment of delivery Ex Works, even if BC has not yet transferred ownership thereof. Any damage to the Products shall be for the account of the Customer.
- 6.5 BC shall have the right to change Products and/or to discontinue Products from time to time and shall not be liable for any loss of damage of whatever kind or nature suffered or incurred by Customer as a result thereof.

7 Inspection, Acceptance of Products

- 7.1 Claims in connection to shortages or errors in shipping must be reported in writing to BC within two (2) days of receipt of such shipment. If Customer fails to report timely, BC will have no obligation to correct such shipments, unless Customer bears all the expenses thereof.
- 7.2 Immediately upon receipt of the Products, Customer shall inspect it for defects and non-conformance with the Agreement and will notify BC in writing within seven (7) days of receipt of a Product, of any defects or non-conformance. After such seven (7) day period, Customer shall be deemed to have irrevocably accepted the Products, if not already previously accepted. After acceptance, Customer shall have no right to reject the Products for any reason or to revoke acceptance. Customer hereby agrees that a seven (7) day period is a reasonable amount of time for inspection and revocation.
- 7.3 In the case of any alleged shortage, errors, defects or non-conformance with the Agreement, Customer shall allow BC to inspect the goods subject to the alleged defect.
- 7.4 Notwithstanding the above, BC will have no obligation to replace or repair any Products if the Products have been handled, processed or stored improperly by the Customer, or if the Products have already been processed and/or if the Customer has not fully met its obligations under the Agreement or these Terms and Conditions.
- 7.5 THE SOLE AND EXCLUSIVE REMEDY FOR ALLEGEDLY DEFECTIVE PRODUCTS IS THE REPLACEMENT OF SUCH PRODUCTS OR PARTS OF SUCH PRODUCTS, AT NO COSTS FOR CUSTOMER.

8 Intellectual Property Ownership and Right of Use

All intellectual property rights, e.g., patents, copyrights, trademarks, designs, models, know-how and all proprietary and/or commercial rights and trade secret rights, tools, documentations, etc., in relation to the Products, including modifications thereto, delivered and/or used by BC, are owned by BC or its licensor(s). No transfer or other grant of rights is given to Customer, unless explicitly stated in writing. This applies even if Products have been specifically designed, developed or compiled for the Customer.

9 Confidential Information

- 9.1 Confidential Information means (i) the existence and terms of any agreement between the Parties and (ii) any non-public, confidential or proprietary information relating to a disclosing Party, whether or not technical in nature, including any that is designated by the disclosing Party as Confidential Information at the time of its disclosure, either by a written or visual confidentiality designation, or otherwise if such information would, under the circumstances, appear to a reasonable person to be confidential or proprietary. Notwithstanding the foregoing, Confidential Information does not include information, technical data or know-how which: (i) is in the public domain at the time of disclosure or becomes available thereafter to the public without restriction, and in either case not as a result of the act or omission of the receiving Party; (ii) is rightfully obtained by the receiving Party from a third party without restriction as to disclosure; (iii) is lawfully in the possession of the receiving Party at the time of disclosure by the disclosing Party and not otherwise

subject to restriction on disclosure; (iv) is approved for disclosure by prior written authorization of the disclosing Party; or (v) is developed independently and separately by either Party without use of the disclosing Party's Confidential Information.

- 9.2 Each Party agrees that it will safeguard the confidentiality of the Confidential Information supplied by the other Party and that it will observe the same due care with respect to such information as it would observe with respect to its own Confidential Information. The other Party shall not sell, copy and/or distribute in any way Confidential Information to third parties, without disclosing Party's prior written consent, which consent may be granted or withheld in such Party's sole and absolute discretion.
- 9.3 Each Party agrees that it will restrict the circle of employees or third parties it retains who have access to the other Party's Confidential Information as much as possible and provide such access only on a need to know basis and after binding such employees and third parties to the same level of confidentiality as set forth in these Terms and Conditions.
- 9.4 Immediately following the receipt of a written request to this effect by the disclosing Party the receiving Party will return any and all Confidential Information received from the disclosing Party or destroy such Confidential Information, if the disclosing Party so requests.

10 Suspension of Performance and Termination

- 10.1 BC is entitled in its sole and absolute discretion to suspend its performance (including future partial deliveries) if Customer fails to meet any of its obligations, or if BC reasonably expects that Customer will not fulfill its obligations. If the cause for suspension continues for more than 30 (thirty) days, BC may, at its own discretion, terminate the Agreement without any notice period. BC will not be liable for any damages in connection to the suspension of its performance or the termination of the Agreement.
- 10.2 Upon suspension and/or termination, all invoiced sums will become immediately due and payable. In the event of suspension of performance by BC, BC may at its sole discretion resell any Products ordered by Customer, at a public or private sale without notice to Customer and without affecting BC's rights to hold the Customer liable for any loss or damage caused by breach of contract by Customer.
- 10.3 Customer cannot terminate the Agreement for convenience.
- 10.4 If Customer believes that BC has failed to materially perform under the Agreement, it must notify BC in writing, and allow thirty (30) days for BC to cure such material default.
- 10.5 Notwithstanding the above and without any obligation to return any fee or prepaid expenses, BC may terminate its relationship with Customer at any time: (i) if BC reasonably suspects that Customer is using Products to breach the law or infringe third party rights; (ii) if BC reasonably suspects that Customer is using Products without authorization or fraudulently, or that Products provided to Customer are being used by a third party without authorization or fraudulently; (iii) for a force majeure event that continues for more than thirty (30) days upon notice; (iv) if Customer fails to pay any amounts due to BC; (v) if required due to change in laws/regulation by a regulator or authority with a lawful mandate, or if required by any court or any of BC's partners; (vi) the bankruptcy of the Customer has been applied for; (vii) an attachment is levied on the goods of Customer; (viii) Customer is liquidated or discontinued;

and/or (ix) Customer is in violation of any applicable laws or regulations.

11 Representations

- 11.1 The representations hereunder do not cover faults or damages arising from faulty, careless, or improper treatment, faulty and unauthorized commission, improper storage or unloading and unauthorized unpacking of Products, and improper or defective environmental circumstances.
- 11.2 TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, BC, ITS AGENTS, REPRESENTATIVES, LICENSORS, THIRD PARTY SUPPLIERS, AND AFFILIATES HEREBY DISCLAIM ALL WARRANTIES, CONDITIONS, CLAIMS OR REPRESENTATIONS WITH RESPECT TO THE BC PRODUCTS WHETHER EXPRESS, IMPLIED OR STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, QUALITY, NON-INFRINGEMENT, COMPATIBILITY OR OF FITNESS FOR A PARTICULAR PURPOSE, UNLESS EXPLICITLY MADE AND PROVIDED BY BC IN WRITING TO CUSTOMER. NO ADVICE OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED FROM BC OR ELSEWHERE WILL CREATE ANY WARRANTY OR CONDITION NOT EXPRESSLY STATED IN THESE TERMS AND CONDITIONS.

12 LIABILITY, LIMITATION OF DAMAGES AND INDEMNIFICATION

- 12.1 IN NO EVENT SHALL BC, ITS AFFILIATES OR ITS LICENSORS BE LIABLE, HOWEVER CAUSED AND WHETHER ARISING UNDER CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR ANY OTHER FORM OF LIABILITY, FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF INCOME, BUSINESS, SALES, PROFITS (WHETHER ACTUAL OR ANTICIPATED) OR INTERRUPTION OF BUSINESS.
- 12.2 NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT TO THE CONTRARY, BC'S AGGREGATE LIABILITY FOR ALL CLAIMS OF ANY KIND SHALL NOT EXCEED THE AMOUNTS PAID BY CUSTOMER FOR THE PRODUCTS IN CONNECTION TO WHICH THE DAMAGING EVENT OCCURRED.
- 12.3 THE LIMITATIONS ON BC'S LIABILITY ABOVE SHALL APPLY WHETHER OR NOT BC, ITS EMPLOYEES, LICENSORS OR ITS AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES ARISING.
- 12.4 Customer agrees to defend and indemnify BC, its present and future officers, directors, shareholders, employees and agents, and to hold each of them harmless from and against any claim, demands, causes of action, damages, liabilities, costs and expenses, including reasonable attorney's fees, arising from Customer's or its customer's specific use of a Product, including product liability claims or actions, unless such action is solely related to the Product itself and has no bearing with the use or combination with other products.
- 12.5 Customer undertakes and agrees to obtain and keep in full force and effect at all times valid policies of insurance against all liabilities, risks and losses (including but not limited to the losses caused by any unlawful act on the part of any person and liabilities

based on product liability claims) in respect of Customer's business relating to the Products.

other than the Parties thereto, any legal or equitable rights thereunder.

13 Severability

If any provision of these Terms and Conditions, the Agreement or any other agreement between the Parties, is held to be null, void or otherwise ineffective or invalid by a court of competent jurisdiction, (i) such provision shall be deemed to be restated to reflect as nearly as possible the original meaning of the terms or agreement in accordance with applicable law, and (ii) the remaining terms, provisions, covenants and restrictions shall remain in full force and effect.

19 No Partnership

Nothing contained in any agreement between the Parties shall be read or construed so as to constitute the relationship of principal and agent or of partnership between the Parties. Neither of the Parties may pledge or purport to pledge the credit of the other Party or make or purport to make any representations, warranties, or undertakings for the other Party.

14 Force Majeure

BC will not be liable for any delay in performing or failure to perform any of its obligations under these Terms and Conditions or the Agreement caused by events beyond its reasonable control, including, but not limited to war, acts of terrorism, riots, vandalism, strikes, lockouts, labor disputes, natural disasters, governmental actions, fire, amendments in laws or regulations, unavailability of raw materials, the occurrence of hazardous substances, or other similar circumstances. BC will notify Customer promptly in writing of the reasons for the delay or stoppage (and the likely duration) and will take all reasonable steps to overcome the delay or stoppage. BC shall have the right to suspend its obligations under the Agreement during the duration of the force majeure event. If the duration of such force majeure event exceeds thirty (30) days, BC will have the right to terminate the Agreement in accordance with Section 10.5 above.

20 Injunctive Relief

Customer acknowledges that BC shall suffer irreparable injury in case of breach of the obligations under Articles 8 and 9. Accordingly, in the event of such breach, Customer acknowledges that BC will be entitled to injunctive relief in any state or federal court of competent jurisdiction within the State of New York. Customer further submits to the personal jurisdiction of such courts for the purposes of any such action.

15 Assignment

Customer is not permitted to assign, delegate or otherwise transfer the Agreement or any rights hereunder. Any such attempted assignment, delegation or transfer will be null and void. BC is permitted at its sole discretion to assign the Agreement or any rights or obligations hereunder to any third party, without giving prior notice.

21 Governing Law and Arbitration

Unless stated otherwise in writing, any and all agreements between the Parties shall be governed by and construed in accordance with the laws of the State of New York, notwithstanding conflict of law principles, and without giving effect to the United Nations Convention on the Contracts for the International Sale of Goods. All disputes and controversies arising out of or relating to these Terms and Conditions or the relationship of the Parties shall be finally and bindingly resolved under the International Arbitration Rules of the American Arbitration Association in front of a sole arbitrator. The place of arbitration shall be New York, New York. The language of the arbitration shall be English. Any award, verdict or settlement issued under such arbitration may be entered by any party for order of enforcement by any court of competent jurisdiction. ANY CAUSE OF ACTION AGAINST BC, REGARDLESS WHETHER IN CONTRACT, TORT OR OTHERWISE, MUST COMMENCE WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ACCRUES. OTHERWISE, SUCH CAUSE OF ACTION IS PERMANENTLY BARRED.

16 Entire Agreement

The Agreement and these Terms and Conditions contain the entire agreement between BC and Customer regarding Customer's purchase of the Products, and supersedes and replaces any previous communications, representations or agreements, or Customer's additional or inconsistent terms, whether oral or written.

17 No Waiver

The failure to exercise, or delay in exercising, a right, power or remedy provided by the Agreement or these Terms and Conditions or by law shall not constitute a waiver of that right, power or remedy. If BC waives a breach of any provision of these Terms and Conditions or the Agreement, this shall not operate as a waiver of a subsequent breach or that provision or as a waiver of a breach of any other provision.

18 No Beneficiaries

Any agreement between the Parties is for the sole benefit of the Parties thereto and, except as otherwise contemplated therein, nothing therein expressed or implied shall give or be construed to give any person,