

# FAB TEXTILES INC.

## GENERAL SALES, SUPPLY, PAYMENT TERMS CONTRACT

### 1. General

All offers, orders and deliveries are solely in accordance with our delivery and payment terms, with which the person placing the order declares himself to be in agreement at the time of placing the order. This also applies to future transactions, even if there is no express reference to the delivery and payment terms.

These, however, will be made available to the person placing the order in the event of an order being confirmed by us. If the order is placed in a way which departs from our terms and conditions, even then only our delivery and payment terms apply, even if we do not contradict them. Thus, departures from the norm only apply if these have been expressly recognized by us in writing. In the case of deliveries to countries outside of Canada and the United States of America, customs and import duties may be levied by the relevant authorities. The customer is liable for these duties, as well as all other taxes levied by virtue of the regulations of the country of destination. FAB Textiles Inc. has no influence on these taxes and does not know the level of these. Customs regulations vary considerably from country to country. More detailed information can be obtained from the local excise office.

### 2. Delivery and Payment Terms

A delivery note will be enclosed along with our shipment. You will receive the invoice a few days later. Our prices do not include any applicable tax, which is solely your responsibility. We reserve the right to carry out a credit check through an accredited credit reference agency. We reserve the right to supply goods only through payment in advance or other payment terms to be agreed with the customer instead of the normal terms of payment. Complaints, if there are any, do not affect the due date for the payment of the purchase price.

### 3. Payments

Payments must be made, unless otherwise agreed, within thirty (30) days of receipt of the invoice without any discount.

#### 4. Default/Withdrawal/Compensation

In the event of a total or partial default in payment on the part of the purchaser, as well as in those instances where we (in particular, in accordance with the present sales, delivery and payment terms) are entitled to withdraw from the contract, all claims that are still outstanding immediately fall due for payment, irrespective of the date on the invoice of those claims that are outstanding. If the purchaser is more than thirty (30) days in arrears with the payment of the purchase price, we are entitled to make further deliveries only against payment in advance. The same applies analogously in the case of partial deliveries with regard to those deliveries that are still outstanding. In the event of withdrawal by us we will charge twenty percent (20%) of the net value of the order as a fee for returning the goods to storage. However, the purchaser is allowed to submit proof that there has been no loss to us at all or that our loss is considerably lower than the flat-rate fee. The above applies analogously in the event of the purchaser not accepting delivery of some goods ordered.

Should the purchaser fall behind with his payments, any preferential payment terms, credits granted or discounts cease to apply. Purchaser will not be entitled to claim relief for external or internal matters, including but not limited to changing market trends, climate-related changes or any aspect pertaining to force majeure. Preferential payment terms or discounts, once granted, only become the object of further contracts on the basis of an express agreement.

#### 5. Delivery/Delay in Delivery

Deliveries that are late or that have not been made do not, under any circumstances, constitute grounds for a claim for compensation on the part of the purchaser. In the event of it being impossible to adhere to agreed delivery times due to force majeure, a breakdown or a delay in delivery from our sub-suppliers, then we are entitled to extend the delivery deadline by the length of time that we were prevented from making deliveries or, optionally, to withdraw from the contract. We are entitled to make partial deliveries. The purchaser may only demand compensation for non-fulfillment if we have caused the deadline for delivery to be exceeded intentionally or through gross negligence. Purchaser shall not be entitled to any payment or compensation, arising from or due in part from matters outside of FAB Textiles Inc.'s control, whether it

pertains to customs-related delays, shipping-related delays, force majeure or otherwise.

## 6. Ownership Relations

Until the purchase price has been paid in full the goods remain the property of the vendor. In the event of resale/processing, the purchaser of the goods, which, due to the failure to make payment, are still in the ownership of the vendor, will cede those claims or surrogates resulting from this to the vendor. The purchaser must neither pledge those goods, the ownership of which is retained, nor transfer ownership of them, as security, to third parties until payment is made in full. The purchaser must inform us immediately in writing of any attempt by third parties to seize those goods, the ownership of which is retained, or those claims that have been ceded. We are entitled, at any time, to demand the surrender of those goods belonging to us, if the purchaser falls behind with a payment or if there is a substantial deterioration in his asset position. It is not necessary to withdraw from the contract in order to assert the retention of ownership.

## 7. Returns

Please do not return goods under any circumstances without a return number. Returns cannot be processed without a return number. You can only obtain a goods return number by requesting one in writing by post, by fax or by e-mail quoting the order number, your customer number and the scope of the return. Please apply this goods return number to the outside of the package in such a way that it is clearly visible. Do not enclose any other documents along with the return except for a copy of the delivery note. In particular, do not enclose the invoice, requests for an exchange or new orders. If the reason for the return is an error on the part of the supplier, we will gladly collect the goods from your premises. Collection can be requested by telephone or by e-mail. If you would like to send the goods, please do not send them unfranked, as items that are sent unfranked are declined by our goods receiving department. We will reimburse postage costs (normal dispatch by post or parcel service). Once the returns have been processed, you will receive a credit note to the value of the goods without any deductions.

If there is no error on the part of the supplier, there is no legal basis for complying with a request for the goods to be returned. We may, in exceptional

cases, agree to such a request in writing, without any legal obligation to do so having been established. Upon provision of our written agreement the goods must be returned to us immediately, in this event, carriage free. Once the return has been processed you will receive a credit note for the invoiced value of the goods less twenty percent (20%) to cover the cost of returning them to storage, however at least ten dollars (\$10.00). Postage and packing costs are not credited.

Samples are not allowed to be returned

Returns are allowed seven (7) days within receipt of goods.

## 8. Extent of our Liability

The object of the contract is solely the product sold with those properties and features as well as for the intended purpose as laid down in the confirmation of the order. Other, or additional, properties and/or features, or an intended purpose which goes beyond this, are only regarded as having been agreed if they are expressly confirmed by us in writing. The rights of the warranty require that the purchaser has duly met the inspection and complaints obligations to which he is bound according to law. Provided that there is conformance with the provided test results, color fastness certificates, rub count and other confirmations provided to the purchaser, the purchaser shall have no warranty claim therewith. The purchaser must inspect the goods immediately following receipt, but at the latest within one (1) week. Complaints must be addressed to us immediately in writing -(in the case of hidden defects as soon as they are known about). Goods that are the subject of a complaint must be made available to us, on request, for collection at the place to which they were originally delivered. If the goods have already been forwarded or distributed to more than one recipient, we are not liable for any costs for collating the goods that are the subject of the complaint. In the event of a justified complaint we first of all have the right to rectify the situation, and to eliminate the defect(s) or resupply, as we so choose. Only, and in the event of the attempt to rectify the situation failing will we take the goods back and refund the purchase price (withdrawal).

The right to compensation is restricted to willful intent or gross negligence. We would expressly like to point out that we are unable to take back, as a complaint, goods in an improved state that have not been improved by us.

Therefore, the purchaser undertakes to inspect the goods prior to improvement (printing, embroidering and the like) to check that they are as ordered and for any shortcomings, or to have them inspected by the company carrying out the improvement work on his behalf.

#### 9. Quality Discrepancies

The details with regard to sizes quoted in our publications are not subject to any standards. The same applies to the size details quoted on the fabric labels. Drawing certain conclusions with regard to measurements and sizes on the basis of these details is not possible and do not constitute any grounds for complaint. Small discrepancies with regard to quality, color, shape, processing, width, weight, design and features that are usual in the trade or are unavoidable for technical reasons give no entitlement to lodge a complaint and do not lead to claims under the warranty.

#### 10. Copyright

We have sole copyright on all goods, samples and graphic representations supplied or made available by us. The purchaser is expressly forbidden from making copies of these or allowing copies to be made.

#### 11. Miscellaneous

The place of fulfillment and sole jurisdiction for all disputes arising from the present contract is Brampton, Ontario, Canada, unless otherwise stated in the confirmation of the order. Should individual provisions of the present contract be or become ineffective, or they contain a loophole, then the remaining provisions are unaffected by this.

#### Provider Identification

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