

GENERAL SALES, DELIVERY AND PAYMENT CONDITIONS

The private company with limited liability under Dutch law Texo Trade Services B.V. Oostbaan 601, 2841 ML Moordrecht, the Netherlands.

Hereinafter to be referred to as: Texo Trade Services

Article 1 Applicability of these Conditions

These Conditions are applicable to all offers of Texo Trade Services contracts for the delivery and/or manufacture of items and/or performance of services, as well as to deliveries and transfers, unless agreed otherwise in writing with Texo Trade Services. References by clients to their own conditions are expressly rejected by Texo Trade Services.

Article 2 Offers

A. All offers, irrespective of whether they have been made by way of special offer in official lists or stock lists or otherwise, are completely without obligation, unless expressly agreed otherwise.

B. All contracts, also if and to the extent that they have been entered into by intermediaries who are or are not in the employ of Texo Trade Services, shall bind Texo Trade Services only after they have been confirmed in writing or orally by Texo Trade Services or a person expressly authorised by it thereto or executed without prior confirmation of an order.

C. The confirmation of order shall be deemed proper and approved unless written objections have been received within two days of dispatch by Texo Trade Services.

Article 3 Amendments to the contract

A. If, after the order has been issued, amendments to the execution of the order are still requested, these amendments shall be communicated to Texo Trade Services punctually and in writing. If the amendments referred to are given orally or by telephone, the risk regarding the implementation of the foregoing shall be borne by client.

B. Texo Trade Services retains the right to alter the price based on amendments to the order.

C. Amendments that are made to a previously issued order may result in Texo Trade Services exceeding the delivery period agreed prior to the amendments. In respect of such delays, Texo Trade Services shall bear no responsibility and in respect thereof Texo Trade Services shall not be liable.

D. For the delivery of products invoiced per kilogram, running metre or m1 or m2, the actual number of delivered units may differ from the number that was previously agreed or confirmed on the confirmation of order. The actual number of delivered units shall be invoiced.

Article 4 Execution of the contract

A. Texo Trade Services shall determine the manner in which the order should in its opinion be executed. It has the duty, if requested, to inform the client in advance of the manner in which the execution shall be implemented, unless this conflicts with the nature of the order.

B. Texo Trade Services is authorised without the client's consent to outsource the order or parts thereof or to arrange for the execution thereof by third parties not in its employ if in its opinion this promotes a proper or efficient execution of the order.

Article 5 Prices

A. All prices are exclusive of Dutch VAT.

B. Quotations shall only be made on the basis of the prices in effect at the time the contract is concluded.

C. If, after the conclusion of the contract, the prices of materials, raw materials or semi-finished products, wages, premiums of any nature whatsoever, freight, taxes, exchange rates and/or other factors that also determine the price of the items or services undergo changes, Texo Trade Services shall be authorised to pass on these changes to the client

accordingly.

D. If the price increases within three months after the conclusion of the contract, the client shall for his part have the right to withdraw the given order provided he notifies Texo Trade Services in writing within three days of having taken note of the increase in prices, and it shall suffice for him to pay for that which has already been performed on the basis of the prices in effect prior to the increase.

Article 6 Delivery

A. Delivery times (and repair times) are without obligations and are approximate only. Exceeding the delivery time may never, also not after notice of default, create a right to compensation, unless the client has expressly determined in writing that a strict deadline exists or such is clearly evident from the contract.

B. The place of delivery shall, irrespective of whether the sale has been made carriage paid, FOB, CIF or subject to any other stipulation equal or similar thereto, be the place where the items are initially loaded onto the ship, wagon, vehicle or any other means of transport with the destination which Texo Trade Services has agreed with the client. If nothing has been arranged concerning transport as well as if the client remains in default vis-à-vis punctually arranging for transport, the place of delivery shall be the place where the items are located at the time of sale.

C. All items are at the client's expense and risk from the moment of dispatch. Also if Texo Trade Services arranges for transport, the client shall be liable for all loss that is connected with or arises during transport. The client must properly insure himself against this risk, unless agreed otherwise in writing with Texo Trade Services.

D. If Article 6, paragraph C cannot be invoked, Texo Trade Services shall never be liable for more compensation than up to the amount that it can recover from the carrier and/or insurer in connection with the loss and/or damage during the transport and shall at the client's request assign its claim on the carrier and/or the insurer to the client.

Article 7 Packaging material

The packaging material issued by Texo Trade Services is at the client's expense and risk from the moment of delivery. Packaging material may not be returned.

Article 8 Payment

Unless agreed otherwise in writing, payment must be made in advance of shipment of the goods. Texo Trade Services retains the right to demand partial or full payment in advance and/or security before starting production of the order.

Article 9 Attributable failures of client

A. If the client fails to fulfil his payment obligations or any other provision of the contract at all, punctually, properly or fully, his items are attached, a moratorium is applied for, or if his bankruptcy is applied for, he shall by operation of law be considered to be in default and the total amount owed to Texo Trade Services shall immediately be due and payable without a warning or notice of default being required – irrespective of previously made instalment agreements in respect of payment.

B. The amount referred to under A shall be increased by the monthly default interest of 1%, to be calculated on the gross invoice amount, from the due date (part of a month being reckoned as a whole month) until the moment at which payment is made in full.

C. In the cases referred to under A, Texo Trade Services shall also have the right to suspend the execution of the contracts still in effect or to dissolve each contract with the client in whole or in part, such as at Texo Trade Services's discretion, without judicial intervention, such without any obligation whatsoever on Texo Trade Services's part to pay any compensation whatsoever vis-à-vis the client, the foregoing to the extent that this is justified

by attributable failure or circumstances.

D. If Texo Trade Services is forced to pass on an unpaid invoice to third parties (lawyer, bailiff, debt-collection agency, etc.) for collection purposes, Texo Trade Services shall be authorised to charge the client a fee for the costs incurred by Texo Trade Services – of at least 15% of the gross invoice amount (with a minimum of EUR 250).

Article 10 Right of retention

Texo Trade Services is authorised to retain items that Texo Trade Services has in its possession from or on behalf of the client until all costs have been paid that Texo Trade Services has spent for the purpose of executing orders of the aforementioned client, irrespective of whether these orders relate to the aforementioned or other items of the client, unless the client has furnished adequate security for those costs.

Article 11 Retention of title

A. If items have been delivered before the relevant invoice – also if this invoice is increased by costs and/or loss – has been paid in full, Texo Trade Services shall retain title to these items until the moment at which payment has been made in full. As long as the items have not been paid in full, the client shall not be authorised to sell or encumber the items, to lease them, pledge them or make them available to third parties under any title whatsoever, or to attach them permanently to real property not owned by Texo Trade Services.

B. In the event the previous paragraph is violated by the client, the client shall owe Texo Trade Services an immediately due and payable penalty amounting to one and one-half times the net invoice amount of the relevant items, without prejudice to Texo Trade Services's right to supplemental compensation.

C. In the case of a purchase and sales contract with a client, the client shall, up to the moment at which payment has been made in full, be obliged vis-à-vis Texo Trade Services to have the replacement value of the delivered items insured in a fitting way and at its own expense against damage caused by fire or forcible entry, theft, misappropriation, third-party claims and for the deductible.

Article 12 Force majeure

A. Texo Trade Services is not liable for failure to execute orders granted to Texo Trade Services at all, improperly or not punctually if they are the result of force majeure in the broadest sense of the word. The term 'force majeure' means, among other things: serious disruptions in the manufacturing process and otherwise, war – in the Netherlands and abroad –, riots, epidemics, natural disasters, fire and other emergencies, transport difficulties, strikes, lockouts and government measures.

B. In the event of a persisting situation entailing force majeure, Texo Trade Services shall notify the client thereof without delay. After receipt of this notification, the client shall have the right for a period of three days to cancel the order in writing, under the obligation, however, to purchase from Texo Trade Services and to compensate it for the part of the order that has been executed.

C. If force majeure is temporary in nature, Texo Trade Services shall have the right to suspend the execution of the contract until the circumstance that produces the situation of force majeure no longer exists. If force majeure is temporary in nature but is expected to last longer than five weeks, the provisions in paragraph B shall be applicable.

Article 13 Liability

A. Except for provisions of mandatory law relating to product or other liability, as well as with due observance of rules of law in respect of public order and good faith, Texo Trade Services is not obliged to provide any compensation for loss, of any nature whatsoever, directly or indirectly, including consequential damage or loss of profits, vis-à-vis movable or immovable property or vis-à-vis persons at the client.

B. The liability of Texo Trade Services shall in any

case not cover more than the amount for which Texo Trade Services is insured, if it has not taken out any insurance in the matter, up to the amount for which an entrepreneur with a company such as that of Texo Trade Services usually insures himself.

C. Texo Trade Services has the right at any time, if and to the extent possible, to remedy the loss of the client.

Article 14 Complaints

A. A client who is dissatisfied with the items delivered or activities performed by Texo Trade Services for which no special guarantee exists may lodge a written complaint with Texo Trade Services during a period of eight days after receipt of those items or after completion of those activities. If the complaint turns out to be justified, Texo Trade Services shall then arrange at its discretion for the replacement or repair of the items or performed activities or refund of the paid money less the costs incurred.

B. The client is authorised to return the items about which the client has lodged a complaint only after obtaining the written consent of Texo Trade Services. In that case, the items must be sent carriage paid by the client to Texo Trade Services.

C. Complaints relating to the invoice may be submitted in writing during a period of eight days.

D. The provisions under A shall not be applicable if a slight deviation exists in respect of what has been agreed. If an assessment is conducted as to whether a delivery deviates beyond acceptable limits, an average of the pieces or items in the delivery must be taken; the delivery may not be rejected on the basis of several pieces or units.

Article 15 Guarantee

A. A guarantee shall only be given for the items delivered by Texo Trade Services such as the one that has been granted to Texo Trade Services by the relevant manufacturer or supplier and has been fulfilled vis-à-vis Texo Trade Services.

B. Repairs and/or materials that possibly qualify under the guarantee must immediately be paid along with additional costs such as tow, freight, accommodation and interest charges. A refund shall be granted in the event a claim under the guarantee is accepted by the manufacturer or supplier up to the level of the amount that Texo Trade Services is compensated for by the manufacturer or supplier.

Article 16 Prescription

All the client's legal actions ensuing from a contract subject to these Conditions shall become prescribed after the passage of one year, to be calculated from the day on which the items were delivered or should have been delivered or from the day that the activities were completed or should have been completed.

Article 17 Fire resistance of materials

Fire resistance certification is obtained in the state in which the material leaves our warehouse. Due to the many varieties of possible treatments (laminating, washing, steaming, calendering) and the many possible print techniques and available inks, Texo Trade Services is not in a position to guarantee the fire resistance of the end product after treatment and printing. In each case of doubt, Texo Trade Services expressly advises that the fire resistance of the end product be tested.

Article 18 Disputes

A. In respect of disputes that arise in the matter of or in connection with contracts concluded with Texo Trade Services, only the court located in the district in which Texo Trade Services has its place of business shall – except in the event the sub-district court is competent – be deemed competent, unless it concerns disputes that are unrelated to the company or the occupation/profession of the client.

B. Any dispute shall be governed solely by Dutch law.

General considerations regarding processing and safety of TTS fabrics

1. Dye Migration

Cold or Dye migration is a common phenomenon which can occur after printing with dye sub (disperse) direct or sublimation transfer on (coated) textiles and is not related in particular to products of TTS.

Important note regarding cold or dye migration / colour seepage:

Textiles with a white or black coating on the backside (to either optimize light diffusion or make them e.g. water tight/air tight and/or block-out/light diffusive) and are printed with dye sub direct or sublimation transfer, may suffer from some unwanted after effects, namely;

- Migration or colour seepage of inks/dyes into the coating which may cause offset of colours to other parts of the textile.
- Transfer/offset of ink (dyes) when the textile is stored folded without any proper protection.

These migration effects may occur after a longer period of time and are most likely to occur when you store your coated textiles folded or rolled without protection in between.

2. Transport and storage of goods

In order to prevent damage (e.g. through pressure points, buckling, etc.), rolls should be transported and stored in a fully horizontal position. In particular 5m meter wide rolls must be supported at least at 3 points (left/right/middle) to avoid buckling.

Excessive humidity or dryness can seriously affect coating properties and printability, particularly in the case of fabrics coated for digital direct printing.

For dye sub printed fabrics with a coating we recommend transportation and storage with protection paper folded or rolled in between the textile to prevent this cold or dye migration or colour seepage.

3. Interference or moiré effects

Moiré can result from the interference of the dot size in coherence with the dot placement and the fabric structure. TTS cannot change the fabric to avoid or influence this. Eventual occurring moiré/interference effects are printer specific and must be tested. TTS cannot accept liability for moiré or any other interference effects. Steps that can be of help, include re-profiling, changing the printing resolution, checking/adjusting the orientation or head height of the printing heads and/or printing on the other side of the fabric.

4. Cutting

Any slitting of rolls on customer request can be done for a surcharge for knitted fabrics with or without coating or woven fabrics with a coating. The tolerance for the cutting is +/- 1 cm and slit rolls cannot be returned.

5. Defect & tolerances in textiles

All textiles are subject to certain production deviations with regard to weight, colour, width and other properties.

Certain defects are unfortunately unavoidable in the context of textile production. Small stains, swaps, runs, stitch abnormalities and stopmarks are inherent in these textiles and must therefore be accepted. For most products a report of defects comes with the roll, indicating the defects in the roll. For other products a red label or tab on the side of the roll indicates an acceptable defect. The printing process should always be closely monitored in order to prevent damage to the printer or the print head. TTS cannot accept liability for defects to printers, parts or printed matter if textiles are printed unmonitored.

6. Shrinkage due to heat or washing

Fabrics can shrink when washed or when exposed to heat. The degree of shrinkage varies according to the material, the structure and the process in question (washing at 40°C, steaming, calendering). All Texofabrics products are heat-set at 185 – 215 °C. However, during sublimation or reactivation the fabric is heated again which may result again in shrinkage of the fabric. Shrinkage values between 0.5 - 3% in length and width is within the normal tolerance. In a separate datasheet we specify the shrinkage per fabric together with detailed printing recommendations.

7. Elongation

Additional problems can arise when the fabric must be held under tension during the calendering process. This elongation is normally not permanent and the fabric relaxes over the following hours and days.

8. Environmental and health impact

Sufficient air and fumes suction equipment is absolutely essential and necessary for any reactivation, fixation or calendering processes as the eventual finishes, treatments, coatings and especially the used inks themselves also contain additives and can cause fumes during the calendering/fixation process. Please also refer to the safety data sheet provided by the ink manufacturer which should include information on potential hazards and preventive measures.

The following specifications must be met: No fabric shall be subjected to a temperature of over 210°C, as decomposition, discolouration and the formation of possible corrosive or otherwise damaging vapours and/or fumes cannot be ruled out.

9. Flame-retardant fabrics

Flame-retardant fabrics are either manufactured using inherent flame-retardant yarns (such as Trevira CS®) or are finished flame retardant during finishing process. Declarations and certificates can only be provided for the state of the fabrics at the time of dispatch from TTS warehouse. Due to the variety of possible treatments to follow (laminating, washing, steaming, calendering, etc.) and the many different printing techniques and inks available, we are not in a position to indicate the degree of flame retardancy of the finished and printed fabric. Textiles or fabrics produced from inherent flame-retardant yarns have permanent flame-retardant properties (which cannot be washed out) while fabrics which have been finished for flame retardancy should not be washed. In case of doubt, we recommend testing the fabrics after processing.

10. Printing results, colour fastness

Printing results and colour fastness (light fastness, rubbing fastness, bleeding and washability) are the combined result of all the components that are involved (printer, ink type, ink manufacturer, drying, reactivation, transport, storage, environmental factors) and cannot be generally guaranteed. For this reason TTS' products must be tested to determine the suitability of the product in combination with your equipment and method of use. Please note that discolouration or degradation of dyes is a common phenomenon. Please also refer to the technical data sheet provided by the ink manufacturer which should include information on blue wool values of the used inks.

11. Lifespan of fabrics used outdoor

In general our fabrics are not recommend for long term outdoor use except some specific textiles that are designed for outdoor use. Ask us for more information if you have an outdoor application. Flag fabrics have an expected life time of 3-6 months outdoor depending on the weather conditions.

12. Residue on calenders and protection paper

Residues on the calender felt cannot be avoided when a fabric is in direct contact with the surface of the calender felt. The use of sufficiently good quality protection paper is therefore always recommended. It should be noted that the dyes itself also leaves a residue during reactivation or transfer process. Please note that even unprinted textiles may leave chemical residues and fumes during calendering. TTS does not accept claims for pollution of the felt when an insufficient quality protection paper has been used or hasn't been used at all.

But even a good quality protection paper does not block the (dye) gasses 100% and will leave some pollution on the felt, but should not affect the average life time of the felt.

The coatings and treatments on our textiles are designed to withstand the high dye sublimation temperatures, although it may occur that the coating of a fabric sticks or leaves residues to the calendar belt. To prevent this we offer a non-porous release coated protection paper especially for coated textiles.

13. White breakage or ink breakage

White breakage can occur when a textile is coated or treated for direct print. White breakage will be amplified by calendering the textile on a high temperature. This effect cannot be avoided and should be tested by the user to see if the end result is acceptable.

Ink breakage in UV inks is to be referred in the technical data sheet provided by the ink manufacturer, specifically UV inks are available in many forms and hardness values. Consult your ink supplier or manufacturer to see if you UV ink is suitable for roll to roll textile printing at all times.

Don't hesitate to contact us for more information or detailed explanation about any of these subjects.

All agreements apply to our terms of delivery, which are filed at the Chamber of Commerce in Gouda [no.: 29048843] and can be sent on request.