

## **GENERAL TERMS AND CONDITIONS OF SALE** (see also [www.utexbel.com](http://www.utexbel.com))

Unless otherwise specified, all our sales are subject to the following general terms and conditions of sale. These shall replace all previous terms and conditions of sale as of 1 November 2020. The electronic version of these terms and conditions of sale shall be equivalent to "writing" as stipulated in Article 23.2 of Council Regulation (EC) No 44/2001. The Purchaser acknowledges knowledge thereof or having had the possibility to gain knowledge thereof by the fact of having placed an order or negotiated to place an order.

- 1. Offers–order confirmation.** Verbal and written offers made by the seller shall remain free of obligation until an order confirmation has been sent by the seller. The order is always confirmed subject to coverage by a credit insurer. Only the general sales terms and conditions of the seller have force of law. Any orders placed by an agent, broker or representative and ensuing agreements shall remain free of obligation until the seller has confirmed the order.
- 2. Risks.** The Purchaser shall be answerable for all the risks related to the merchandise sold as soon as these leave the seller. It is the Purchaser's responsibility to take action against the carriers or insurers, without this entitling him/her to refuse, decrease or delay payment to the seller.
- 3. Delivery – compliance.** For enforcement of legal rules in the event of a conventional dispute, the place of execution of the seller's obligations is always the seller's factory, regardless of the actual place of delivery. Unless stipulated to the contrary, the goods are transported at the expense and risk of the buyer. The time of delivery is conventionally the time at which the fabrics leave the seller's or his commissionaire's factory. Delivery dates are calculated from the departure of the goods at the seller's or his commissionaire's factory; if the delivery date is expressed as a number of weeks or if it refers to a numbered week, the last working day of the week in question is intended. Unless specifically agreed upon otherwise in writing, with both parties having given their explicit agreement, for the seller the delivery dates always concern a best efforts obligation and not an obligation to achieve a result. Consequently, the mere fact that a delivery date is not respected does not constitute legal grounds for damage compensation, regardless of the

nature or the scope of the damage claimed due to delay in delivery. No delay in delivery entitles the buyer to postpone or suspend his payment obligations. Any form of compensation due to a delay in delivery is legally excluded. Any delays in delivery caused by the Purchaser shall authorise the seller either to accordingly put off all deadlines agreed upon, or to cancel contracts, or to invoice the merchandise and keep it at the disposal of the Purchaser at the Purchaser's costs, risks and responsibility. Unless agreed otherwise the expiry date of the statutory contract delivery is fixed on one year, on which the seller has the right but not the obligation either to claim the compulsory execution or to dissolve the contract with applying the compensation as foreseen in art 10, or to postpone the delivery date, with a contractual compensation of 1% per month for the balance of the contract

4. **Buyer's obligation to investigate.** The buyer is obliged to examine the goods for conformity and any defects within 15 calendar days that follow the time at which the goods leave the seller's or its commissionaire's factory. The seller places its laboratory at the buyer's disposal, free of charge, in order to determine any kind of non conformity. The disadvantages inherently associated with fabric structure or the composition of the agreed type of upgrading/finishing cannot give cause for complaints of non-conformity or defects. On fabrics of white or clear colours, contamination may occur due to the occurrence of coloured fibres, which are technically unavoidable and cannot give cause for complaints of non-conformity or defects. The seller cannot guarantee total correspondence between delivered and ordered quantities. Deviations of up to 10 % are agreed to by the buyer. Even if the buyer purchases the goods for a special purpose, and regardless of whether that purpose has been made known to the seller, it is the buyer's exclusive responsibility to test the suitability of the goods for that purpose in advance; the indemnity obligation of the seller will in any case be limited to the normal use of its fabrics. When the composition or technical characteristics of a sold fabric with time-distributed deliveries, evolve during the execution of such contract on account of the progress of the technology and the results of the R & D department of the seller, the seller has the right to deliver the most recent version of this fabric, provided that the essential characteristics of that evolved

fabric are at least as good as the corresponding characteristics of the earlier version of that fabric, as shown by the technical sheets of the seller

5. **Claims.** No complaints will be accepted relating to the seller's fabrics which, after leaving the factory, have undergone any machining or other treatment. No complaints at all will be accepted once 15 calendar days have elapsed after the date on which delivery, as defined above, took place. Once that term has lapsed, the seller will be released of all liability, including liability for hidden defects. In the event of a timely and well-founded complaint, the damage to be compensated shall be limited to the direct diminution in value of the sold merchandise. That right to compensation shall, on no account, be greater than the net price that was billed by the seller for those goods. The seller will always be entitled, as he thinks fit, to replace or re-treat the nonconforming or faulty goods, instead of paying out compensation. The seller's liability for deliveries within the framework of public works contracts and assimilated transactions shall, on no account, exceed 2% of the share of the sold fabric in the total contract value. Disputes about the conformity, inadequacy or deficiency of the sold merchandise do not affect the eligibility of the seller's invoices relating thereto.
6. **Payment conditions.** The seller's invoices are payable on due date to the seller's head office and do not constitute debt to be collected in person even if bills of exchanges or other commercial papers have been drawn up. In the event that invoices are not settled by their due date, the Purchaser shall be, ipso jure and without any formal notice, required to pay interest amounting to 10% per year and legitimate compensation for recovery costs amounting to 10% with a minimum of 250 € and to reimburse fees in the event of legal recovery. When appropriate, and on the seller's demand, the Belgian law of August 2nd 2002 on the fight against payment delays in commercial transactions can be applied. The seller has the right to demand reasonable payment guarantees during the course of the execution of the agreement. In case the customer's payment is delayed, the requested guarantees postponed, the credit insurance reduced or cancelled, the seller has the right to suspend without prior notice all deliveries and extend all delivery dates for the same period, cancel the contracts, invoice the goods and keep them available for the buyer at his expense, risk and danger and claim its payment.

**7. Reservation of title.** The merchandise sold shall remain the property of the seller until the full payment of the invoice and any costs. Where appropriate, a reservation of title shall apply and shall cover the price at which the Purchaser has re-sold the merchandise or the recovery of the resulting claim of the Purchaser. The pledging or the securing of unpaid merchandise may only take place following the seller's formal agreement. The buyer has to take every measure which is foreseen by the law, also inform third parties about this situation. Despite the title of retention, the cost for the loss or deterioration of the goods are at the buyer's account. The Purchaser must inform the seller of any seizure of merchandise. The retention of title will also apply when the seller's customer already has passed on the goods (made up or not) to a third party who has not yet paid the seller's customer. Advance payments may be maintained to cover potential losses at resale

**8. Force majeure.** By agreement between both parties, the following shall be considered as force majeure: wars, strikes, lock-outs, riots, serious supply problems of raw materials or transport, fires, breakages of machines at the seller or at its major commissionaire, pandemic etc.... These release the seller from any responsibility and the seller will have the right to extend the final delivery term of the contract. Any delays in delivery resulting from one of these circumstances or events shall grant the seller an extension of the delivery deadlines as agreed for the duration, of the case of force majeure, without the Purchaser being capable of laying claim for compensation and without derogating from what is stipulated to this effect in Article 3 and 5.

**9. Exchange rate fluctuations.** For contracts and orders in foreign currency, the seller shall reserve the right to adjust the selling price proportionally if, between the time of reception of an order or an invoice and payment thereof if the rate of the currency fixed by the ECB has changed with more than 3%

**10. Breach – termination of contract.** In the event the Purchaser announces explicitly or implicitly that s(h)e do not want to accept the purchased merchandise either fully or partially, s(h)e shall be obliged, following the first request, to pay the seller compensation of 30% of the agreed invoice value, unless the seller makes it known that the contract must be executed in full, in which case the Purchaser shall not be entitled to derogate from it. In the event a judge breaks the contract to the benefit of the Purchaser, the parties agree

that the damages paid to the seller following the breach of the contract shall be limited to 30% of the agreed invoice value agreed.

11. **Sale on sample.** In the event of a sale on sample, the merchandise's conformity shall be solely established on the basis of the quality of the sample without taking into account other references such as prior sales, technical sheets, etc. A sale on sample will only come about when the parties explicitly agree on this and on the storage of the sample that will serve as evidence reference.
12. **Trade secrets – tenders - cancellation clause.** The parties recognise that the results of research and development of fabrics with special properties as defined in technical data sheets or in fabric samples are part of the seller's know-how and trade secrets and are protected by the legislation implementing EU DIRECTIVE 2016/943 of 08/06/2016 of the Parliament and the Council. When the purchaser buys a limited quantity of fabric (i) with special characteristics, or (ii) developed by the seller in response to the needs of that customer or of a contracting authority or other third party, or (iii) when requesting one or more technical data sheets or specific laboratory analysis in the context of a public or private tender - and of which the customer does not notify in writing within 8 calendar days after date of reception that these do not comply with the technical tender requirements or are considered as unsuitable for other reasons - the buyer implicitly acknowledges that the seller's know-how plays a fundamental role in his offer for the public or private tender, and that by that mere fact, buyer and seller themselves enter into a commitment to cooperate so that the purchaser can be awarded the contract with the seller's fabric. When subsequently the buyer has been awarded the order, he is obliged when fulfilling the order, to source that or those fabric(s) from the seller at the same price and conditions used when buying the limited quantity or as mentioned in the specific offer, e.g. when submitting the technical documents or laboratory analysis. When, after receiving the order, the buyer would prefer to source the fabric elsewhere and not to honour the partnership, he is entitled to withdraw from his obligation to purchase from the seller subject to payment of a compensation equal to 30% of the value that the seller would have invoiced to the buyer or its fellow contractor for this tender. The seller is entitled to invoice this compensation. The invoice is due

on the day when the buyer places an order elsewhere. This one-sided cancellation clause with a dissuasive character applies regardless of whether the buyer had informed on beforehand the seller of the exact use of the fabric and regardless of the fact that the buyer has contributed in whole or in part to the technical and / or commercial development of the fabric. The buyer acknowledges to have been informed by the seller that the seller would not make any samples or technical / commercial information available to the buyer without the buyer's prior explicit or implicit acceptance of this condition.

13. **Homologation - certification.** The parties refer to art. 12 paragraph above. When the candidate buyer receives a certification or homologation proof for one or more fabrics or fabric characteristics, and abuse by the buyer or third parties he contacted, has been detected, the buyer is obliged to pay a fixed 100.000 € amount for infringement of the seller's intellectual rights and know-how.
14. **Dispute settlement.** the seller shall be entitled to take action in the competent court in the location of its head-office or in the location of the Purchaser's head-office. Belgian law and by extension the Commercial Treaty of Vienna from 11-4-1980 shall apply.
15. **Language.** In case of contestation due to translation in the various languages of these conditions, the original Dutch text will prevail.