

STANDARD TERMS AND CONDITIONS

1. **DEFINITIONS AND CONDITIONS:** These Standard Terms and Conditions for the Sale of Goods and/or Services shall exclusively govern the sale and purchase of all goods and services offered by FT Synthetics Inc., The term Seller as used herein shall refer to “FT Synthetics, Inc.”, and the entity purchasing from Seller (herein referred to as the “Buyer”). Each sale of Goods and/or Services is a separate and independent transaction. Details regarding the Goods and/or Services are provided in the Seller’s order confirmation. The order confirmation for each separate transaction as well as these Standard Terms are hereinafter collectively referred to as the “Agreement”. Any term or condition or standard of performance different from or in addition to the Agreement, whether set forth on the Buyer’s purchase order or otherwise proposed by the Buyer, shall be inapplicable unless expressly agreed to in writing by the Seller. The Buyer acknowledges that they have not relied on any statement, promise or representation made or given by the Seller which is not been set out in the Agreement.
2. **ACCEPTANCE:** All orders for the Seller’s goods and services shall be deemed to be an offer by the Buyer to purchase goods pursuant to these conditions. A Buyer accepts the terms in the Seller’s order confirmation:
 - a. by signing them by hand or electronically;
 - b. by submitting a Purchase Order to Seller;
 - c. by accepting delivery, using, or allowing others to use the Goods; or
 - d. by making any payment for the goods or services.
3. **DELIVERY/RISK OF LOSS.** Delivery shall take place by such method as the Seller may in its absolute discretion decide, to the location specified by the Buyer (the “Delivery Destination”), on or as close to the Delivery Date considered reasonably practicable in the circumstances. Costs of packaging and delivery shall be included in the price of the Goods, unless otherwise stated in the order confirmation. Unless expressly provided otherwise deliveries of Goods shall be FOB “Delivery Destination” (Incoterms 2010), and title to Goods and risk of loss shall pass to Buyer at such time as the Buyer takes possession at said destination. Seller has the right to make partial deliveries of Goods when Seller reasonably deems appropriate. Subject to the other provisions of these Conditions the Seller shall not be liable for any direct, indirect or consequential loss any delay will not entitle the Buyer to terminate or rescind the Agreement unless such delay exceeds sixty (60) days.
4. **PRICES/OTHER CHARGES.** Prices and charges for the Seller’s Goods and/or Services shall be invoiced at Seller’s advertised current prices list in effect at the time of shipment unless otherwise provided in the order confirmation. Seller reserves the right to change pricing with 60 days notice due the volatile nature of the raw materials used and specific market conditions. All prices are exclusive of U.S. state or federal taxes but include duty relating to import and delivery of the goods to the buyer’s “Delivery Destination”. All prices are quoted in U.S. Dollars unless otherwise specified, and all payments must be made in U.S. Dollars unless otherwise agreed in writing by the Seller.
5. **TAXES.** Buyer shall be responsible to collect and remit any and all Taxes required by government authorities, whether local, state or federal, in connection with the purchase, re-sale, transportation, delivery or use of the Goods and Services purchased from the Seller. This includes all present or future taxes, fees, charges, and any interest, fines and penalties with respect thereto, imposed, levied, collected, withheld or assessed by any governmental authority.

6. **FREIGHT:** Unless otherwise specified and included on the order confirmation freight is included in the price of the goods and shipping arrangements and delivery appointments shall be made by Seller.
7. **CANCELLATION:** In the case of a wrongful cancelation of a Buyer's purchase order or non-acceptance of a shipment of Goods, the Seller shall be entitled to recover;
 - a. the price of such Goods or Services which cannot reasonably be resold by the Seller to a third party, or
 - b. the price of Services which have already been performed, or
 - c. in the case of Goods for which other buyers exist, damages equal to a 20% of the invoiced product as a re-stocking fee and the cost of the outgoing and return freight.
8. **QUANTITY VARIATIONS:** In connection with any purchase order, Seller reserves the right to ship to and invoice Buyer for a quantity of Goods, which may vary 10% from the quantity specified on the order confirmation. Buyer shall accept delivery and pay for such revised quantity. Shortages or errors in quantity of Goods must be reported, in writing, by the Buyer within thirty (30) days from receipt of shipment to secure an adjustment for the same. In addition, claims for proof of delivery of a shipment must be made within fifteen (15) days from the scheduled delivery date.
9. **FORCE MAJEURE/SHORTAGES:** Neither party is responsible for delays or failure to fulfill its non-monetary obligations due to:
 - a. acts or circumstances beyond the reasonable control of Seller;
 - b. acts of nature, unusually severe weather (including, floods, hurricanes, tornadoes or earthquakes), fires, accidents, or explosions;
 - c. epidemics, quarantine restrictions, wars or hostilities; threats or acts of terrorism; infrastructure or communication failures; or data or security breaches;
 - d. strikes or other labor difficulties (whether or not related to Seller's workforce);
 - e. embargoes or governmental actions (including any Changes in Law or Seller's failure to obtain any necessary permits, licenses or authorizations); or
 - f. unexpected increases in demand for Seller's Goods; machine or equipment breakdown; inability or delay in obtaining raw materials, power or other needed supplies or services on terms Seller deems commercially acceptable or otherwise; or
 - g. delay or non-performance by transporting carriers.
10. **LIMITED WARRANTY/DISCLAIMER:** In the case of Goods sold by Seller with a separate written warranty, that warranty shall apply. Otherwise, Seller warrants subject to the provisions of Condition 11 below, that the Goods will correspond with their specification at the time of delivery and will be free from defect in both materials and workmanship for a period of twelve (12) months from the Delivery Date.
 - a. Goods shall be manufactured in accordance with Seller's specifications, and
 - b. Services shall be performed as specified on the Order Confirmation.
11. **BUYER'S REMEDIES/LIMITATION OF LIABILITY:**
 - a. Buyer's sole and exclusive remedy and the limit of Seller's liability for Goods or Services proven to be other than warranted, whether based upon breach of warranty, negligence, strict liability, tort, breach of contract or any other legal theory, shall be, at Seller's option:

- i. replacement of the Goods or Services, without charge, freight paid to Buyer's facility; or
 - ii. refund of the purchase price paid in respect of such Goods or Services, plus commercially reasonable charges in connection with the return or disposition of Goods.
 - b. Seller's sole liability with respect to the Goods and Services, for any and all loss or damage to Buyer, or any other loss, damage, expense or claim, resulting from any cause whatsoever shall in no event exceed the aggregate purchase price of the particular Goods or the price of the Services with respect to which losses, damages, expenses or costs are claimed. Seller shall have no liability for the cost (of labor, disposal or otherwise) to remove a Good or install any new product(s). Seller shall have no liability to any person other than Buyer by virtue of the sale of the Goods, provision of Services, or any other matters contemplated by the Agreement. The limitation of liability set forth in this paragraph shall survive termination, expiration or cancellation of the Agreement.
12. **TIME PERIOD FOR BRINGING CLAIMS:** Buyer agrees that any claim arising out of or related to the Goods or Services purchased by Buyer not meeting the specifications or other product performance claims must be asserted within ninety (90) calendar days from identification of the non-conformance. Buyer further agrees that any claim regarding overpayment or credits issued by Seller must be asserted within one hundred twenty (120) days from the date such Goods or Services were invoiced to Buyer. All such claims not asserted within the above stated time frames shall be deemed irrevocably waived and absolutely barred, unless otherwise prohibited by applicable law.
13. **SAFETY AND HEALTH INFORMATION.** Seller has supplied or made available to Buyer information (including but not limited to Safety Data Sheets) and warnings concerning the safety and health aspects of the Goods. Buyer agrees to communicate such information and warnings to Buyer's employees, agents, contractors and customers, and to require such persons to further communicate such information and warnings to all persons that they may reasonably foresee will be exposed to or handle such Goods.
14. **INTELLECTUAL PROPERTY:** The purchase of Goods or Services from Seller shall not entitle Buyer to any property interest in Seller's intellectual property, including its trademarks, trade names, trade secrets, patents, know-how or other proprietary rights of any nature whatsoever, whether or not incorporated in the Goods covered by the Agreement, and Buyer will not attempt to reverse-engineer any such Goods or disclose or use any such intellectual property without Seller's prior written consent.
15. **EXPORT SALES:** Buyer represents and warrants that it has complied and/or will comply with all applicable laws, rules and regulations pertaining to the import and movement of Goods sold hereunder. All drawbacks of duties paid on items used in the manufacture of the Goods delivered hereunder shall accrue to Seller, and Buyer agrees to furnish Seller with all documents and cooperation necessary to obtain payment of such drawbacks.
16. **DATA PROTECTION:** The Buyer acknowledges and agrees that details of the Buyer's name, address, and payment record may be submitted to a credit reference agency, and personal data will be processed by and on the Seller's behalf in connection with the Goods.
17. **TERMS OF PAYMENT:**
- a. Terms of payment shall be net thirty (30) days from the date of Seller's invoice, unless other specific terms of payment are stated on the order confirmation. If the Seller, in its sole discretion, deems a

Buyer's credit unsatisfactory, Seller reserves the right to terminate a Purchase Order, suspend further deliveries; or require payment by either:

- i. Cash payment in advance of order shipment, or
 - ii. Cash on delivery (C.O.D.)
- b. Cash discounts as set forth on an order conformation are allowed only on the sales value of the Goods or Services. Freight costs and other "add-on" charges are excluded. Seller will compute and show on Buyer's invoice the exact amount of any cash discount allowed. Buyer will not be allowed a cash discount, rebate, and/or promotional allowance pertaining to a specific Buy's Purchase Order unless it has been accepted in writing by Seller or noted on the order confirmation. No rebates or cash discounts will be paid or credited while any past due invoice remains unpaid.
 - c. No future dating may be given on invoices. Except as otherwise agreed.
 - d. Invoices are payable in U.S.A. currency only. Any Buyer who makes payment by check or draft which is returned due to non-sufficient funds will be assessed a fee of \$50.00 for each returned check.
 - e. Each shipment of Goods by Seller shall be deemed a separate and independent transaction.
 - f. Buyer agrees to pay for the Goods and Services according to the terms designated on the order confirmation. For late payments Buyer shall pay interest calculated daily and compounded monthly, at the rate of 1.5% per month. If Buyer fails to make any payment to Seller when due, Buyer agrees to reimburse Seller all costs of collections, including reasonable attorneys' fees, whether or not litigation is commenced.

18. **TECHNICAL ASSISTANCE OR ADVICE:** If technical assistance or advice are offered by the Seller or given to Buyer, such assistance or advice is given free of charge and only as an accommodation to Buyer. Seller shall not be held liable for the content or Buyer's use of such technical assistance or advice nor shall any statement made by any of Seller's representatives in connection with the Goods or Services constitute a representation or warranty, express or implied.

19. **RETURN OF GOODS:** Goods may only be returned for credit with the written permission of Seller within ninety (90) days from the date of delivery of the Goods. Only Sellers branded goods qualify for return credit as custom printed product are a final sale. All goods must have been properly stored and maintained in resalable condition. Goods must be returned to Seller in their original packaging, and in the minimum shipping quantity of one full pallet. Credit for returned Goods will be allowed at Seller's sole discretion based on the condition of the returned Goods. All returns must be accompanied by a returned Goods authorization number clearly marked on the pallet(s). Please obtain this number in advance of shipping your return. In no case will the return credit be for more than the Buyer's original purchase price less the freight included in the cost of the original shipment of goods. All accepted returns will be provided in the form of a credit towards future purchases.

20. **GENERAL PROVISIONS:**

These Conditions shall be governed by in accordance with the laws of the Province of British Columbia, Canada and the parties hereby submit to the non-exclusive jurisdiction of these courts. Any dispute, controversy or claim arising out of or in connection with this agreement shall be settled by consultation between the Parties. In the event of failure of such consultations, a party who intends to seek arbitration must first send to the other, by certified mail, a written notice of intent to arbitrate ("Notice"). The Notice to Seller should be addressed to: FT Synthetics Inc. 5690 -268th Street, Langley, B.C. Canada. This Notice must;

- (i) describe the nature and basis of the claim or dispute; and
- (ii) set forth the specific relief sought ("Demand").

If the parties do not reach an agreement to resolve the claim within 60 days after Notice is received, Seller or

Buyer may commence an arbitration proceeding. Then the matter shall be finally and exclusively resolved by arbitration under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) in force as at the date of the Agreement.

21. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between Seller and Buyer with respect to the matters contained therein, and supersedes all prior oral or written representations, proposals, correspondence, discussions, negotiations and agreements. No course of prior dealings and no usage of the trade shall be relevant to supplement, explain or modify any terms of this Agreement.
22. **RELATIONSHIP OF PARTIES:** Seller and Buyer are independent contracting parties and nothing in the Agreement shall be construed as constituting or making Buyer or Seller as franchiser, franchisee, partner, broker or agent of the other. Each party is an independent contractor and neither shall have any power, right or authorization to bind the other or to assume or create any obligations or responsibilities, express or implied, on behalf of the other or in the other's name.
23. **SEVERABILITY:** If any provision of the Agreement is deemed invalid or unenforceable by an arbitrator or any court of competent jurisdiction or under any statute, regulation, ordinance, executive agreement or other rule of law, such provision shall be deleted or modified, at the election of the parties, but only to the extent necessary to comply with such ruling, statute, regulation, ordinance, agreement or rule, and the remaining provisions of the Agreement shall remain in full force and effect.
24. **NON-WAIVER:** No change, modification or waiver of any provision of the Agreement shall be valid or binding unless it is accepted by Seller in writing. A waiver by either party of any breach or failure to enforce any term or condition of the Agreement shall not in any way affect, limit or waive such party's right at any time to enforce strict compliance with that or any other term or condition of the Agreement.