MASTER AGREEMENT

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The effective date of this Master Agreement (the “Agreement”) is ,

**BETWEEN: [YOUR COMPANY]** (the "Seller"), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Buyer"), a company organised and existing under the laws of the [STATE/PROVINCE] of [COUNTRY], with its head office located at:

 [COMPLETE ADDRESS]

WHEREAS from time to time, the Buyer will be placing orders with the Seller for the manufacture and sale of merchandise by the Seller;

WHEREAS the parties have agreed that the terms and conditions contained herein shall apply to all orders placed by the Buyer with the Seller;

CONSEQUENTLY, the Buyer and the Seller have agreed as follows:

**1. SCOPE OF MASTER AGREEMENT**

All orders placed by the Buyer with the Seller and evidenced by the Seller’s form of order confirmation (as the same may be amended from time to time) (hereinafter an “order confirmation”), whether or not same is signed by the Buyer, shall be subject to and governed by the terms and conditions of the present Master Agreement, unless otherwise modified as hereinabove mentioned.

**2. DELIVERY AND TENDER**

2.1 The acceptance of a shipment by any carrier customarily used by the public shall constitute a delivery to the Buyer, or, in the absence of shipping instructions; the mailing of the customary invoice shall constitute a delivery.

2.2 Any delivery made within [NUMBER] days after the date or dates specified for delivery in the order confirmation shall constitute a good delivery, or a tender made within [NUMBER] days after the date specified for delivery in the order confirmation shall constitute a good tender.

2.3 Where deliveries are specified to be made in or during several calendar months, each month’s deliveries shall constitute a separate contract, and any instalment of goods or part thereof delivered shall be paid for in accordance with the terms of the confirmation order, regardless of claims by either party relating to any other delivered or undelivered goods.

2.4 Delivery of any quantity between [PERCENTAGE %] and [PERCENTAGE %] of the quantity ordered shall constitute good and sufficient delivery and the Buyer shall accept and pay for such merchandise *pro rata* in accordance with other terms of this agreement and the confirmation order.

**3. STRIKES AND CASUALTIES**

Where the Seller is unable to make delivery of any portion of the merchandise covered by this Master Agreement due to a labour dispute, accident, fire, war, government regulations or any cause whatsoever beyond the control of the Seller, the Seller shall not be liable for such inability to make delivery if, within a reasonable time, he notifies the Buyer by prepaid post of the cause of such inability and that the contract for the undelivered portion of the merchandise is cancelled or that he will make delivery of such merchandise at a future date to be named in the notice, and the Buyer may, within [NUMBER] days of the date of mailing of such notice, notify the Seller by prepaid post that he will accept delivery of the merchandise pursuant to the terms of the Seller’s notice or cancel the undelivered portion of the contract, but upon the Buyer’s failure to so notify the Seller the undelivered portion of the contract shall be cancelled.

**4. PAYMENT TERMS**

The terms of payment *in re*spect of any order made by the Buyer set forth in the order confirmation *in re*spect of such order shall apply to any contract referred to herein. Every reference herein to a “contract” shall be construed as meaning the Buyer’s order, as reflected by the said order confirmation.

**5. CREDIT**

The Seller reserves the option to discontinue deliveries to the Buyer or to cancel the whole or the balance or any part of any contract with the Buyer if payment on any shipment is delayed or if the amount of credit granted be exceeded or whenever the Seller is dissatisfied with the Buyer’s credit standing. Interest at [PERCENTAGE %] per month ([PERCENTAGE %] annually) shall be charged on all overdue accounts. The Seller reserves the right, at its option, even after partial payment on account of any contract with the Buyer, to require from the Buyer, satisfactory security for due performance of its obligations, and the refusal to furnish such satisfactory security or failure of the Buyer to execute any of its obligations under any existing contract will entitle the Seller, upon notice to the Buyer, to suspend shipments or cancel any contract or so much of it as may remain unexecuted, without prejudice to any claim for damages to which the Seller may be entitled. All goods stored and/or processed at the premises of the Seller shall remain the property of the Seller until paid for in full. Notwithstanding any indication by the Buyer to the contrary, the Seller may impute any sums received from the Buyer against such outstanding indebtedness of the Buyer to the Seller, whether liquidated or not, present or future, as the Seller may, in its sole discretion, determine.

**6. DEFAULT**

6.1 The following constitute events of default under this Master Agreement:

6.1.1 failure to pay any amount due to the Seller under any contract or other agreement between the Seller and the Buyer;

6.1.2 should any of the goods sold to the Buyer and still in the possession of the Seller become subject to any lien, privilege, seizure or attachment;

6.1.3 any breach by the Buyer of any of the terms of any contract or other agreement between the Seller and the Buyer;

6.1.4 should the Buyer have recourse or be subject to any federal or provincial statutes respecting bankruptcy, insolvency or winding up.

6.2 Upon the occurrence of one or several events of default, the Seller shall be entitled, without prejudice to its other rights and recourses under this Master Agreement or otherwise to:

6.2.1 recover any amount due under any contract or other agreement between the Seller and the Buyer;

6.2.2 cancel the whole or part of any contract or other agreement between the Seller and the Buyer;

6.2.3 take possession of the goods wherever they are located, without demand or notice, and without a court order or other process of law. The Buyer agrees that he will not make nor cause to be made any claim for nor will the Seller be liable for any damages that are caused as a result of the Seller taking possession of the goods;

6.2.4 declare this Master Agreement and/or any contract or other agreement between Buyer and Seller cancelled and after giving the Buyer notice of such cancellation, recover as liquidated damages an amount equal to:

6.2.4.1 the total of all payments which would have become due in virtue of this or any other contract or any subsequent renewal term as if an event of default had not occurred; plus

6.2.4.2 interest at the rate of [PERCENTAGE %] per month ([PERCENTAGE %] per annum) on these amounts from the time they became due or from the event of default, whichever date is the earlier; plus

6.2.4.3 any sale taxes (if applicable) on the total amount due.

**7. CLAIMS AND ALLOWANCES**

The Seller shall not be liable for normal manufacturing defects nor for customary variations from specifications. Claims of any kind or nature, except for latent defects, are specifically barred unless made in writing within [NUMBER] days after receipt of goods and, in any event, prior to the cutting, processing or altering of the goods in any manner from the original condition of delivery, whichever is earlier. Claims for latent defects are barred unless presented within ninety days after the date of invoice. The limit of liability of the Seller for any reason whatsoever shall be to replace any goods rejected for proper cause, or refund the price paid therefor by the Buyer, and nothing more, at the option of the Seller.

**8. ASSORTMENTS**

If the Buyer does not select colourings, designs or patterns, furnish assortments or complete specifications within the time specified in the contract, the Seller may bill the Buyer for the un-assorted merchandise at finished goods price. If the Seller permits the Buyer to complete assortments or specifications subsequent to the time specified the Seller may delay delivery for such an amount of time as may be necessary to complete the order.

**9. COMMISSION PROCESSING**

The following conditions as well as the above conditions, apply to the commission processing by the Seller of the Buyer’s goods for the Buyer’s account:

* 1. **Representations and Pledge-Free from Prior Claim.** All goods covered by such commission processing order are hereby represented by the Buyer to be owned by it or to be lawfully in its possession, charge or under its control and to be free from prior encumbrance or claim and all such goods delivered to the Seller including goods described in any future order, shipping memo or contract, even if not signed by the Buyer are hereby pledged to the Seller (with the specific authority of the true owners of the said goods) as security for the payment of all the Buyer’s accounts now or hereafter due or accruing due in principal interest and accessories irrespective of date or origin including (without limiting the generality of the foregoing) transportation charges, duties and taxes paid or to be paid by the Seller. The release by the Seller from time to time of any of the Buyer’s goods shall in each case be in consideration of the transfer of the said lien or breach (upon the released goods) to other goods of the same Buyer remaining from time to time in the possession of the Seller which other goods shall remain pledged to the Seller for all amounts owing or that will be owed by the Buyer to the Seller.
	2. In case of default in payment on its due date of any monies now or hereafter payable by the Buyer to the Seller, the goods thus pledged may be sold by the Seller by public or private sale on or after the tenth day after mailing by registered mail of a written notice of intention to sell addressed to the Buyer at its last known address and the proceeds of sale credited against the Buyer’s indebtedness to the Seller and the surplus, if any, remitted to the Buyer.

***ONLY INCLUDE 9.3 – 9.5 IF RELEVANT:***

* 1. **Shrinkage and Working Allowance.** The shrinkage and working allowance necessary in the Seller’s judgement  to properly process the goods shall be allowed.

**9.4 Colour Match and Fastness.** While every effort will be made to dye according to selection the Seller does not guarantee exact colour match. The fastness of the dye is not guaranteed by the Seller beyond the generally accepted commercial standard unless otherwise specified.

**9.5 Reduced Goods.** Those goods are at the Buyer’s risk and are not guaranteed by the Seller as to strength, weight, shrinkage, colour, finish or otherwise.

**9.6 Insurance Coverage.** Insurance on goods stored including goods prepared for or in the course of processing will be covered by the Seller only to the extent agreed to in writing with the Buyer from time to time.

**9.7 Taxes and Duties.** All taxes and duties now or hereafter imposed or exigible on this contract or the goods therein mentioned shall be borne by the Buyer and may be paid by the Seller and charged to the Buyer.

**10. MODIFICATIONS**

No modification of this Master Agreement or any contract contemplated herein shall be binding unless in writing signed by both parties, and no waiver by either party of any default shall be deemed a waiver of any subsequent default.

**11. GOVERNING LAW**

This Master Agreement and each of the contracts contemplated herein shall be governed by and interpreted in accordance with the laws of the [STATE/PROVINCE] of [STATE/PROVINCE] and the laws of [COUNTRY] applicable therein.

**12. ENUREMENT**

This Master Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. The Buyer may not assign any of its rights or obligations hereunder to any other person or entity without the prior written consent of the Seller.

**13. HEADINGS**

The headings contained herein are included solely for convenience, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Master Agreement.

**14. LANGUAGE**

The parties hereto acknowledge that they have expressly required that the present Master Agreement and all deeds, documents or notices relating thereto be drafted in the English language.

**15. COUNTERPARTS**

This Master Agreement may be signed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

# SELLER BUYER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title