

TERMS AND CONDITIONS OF SALE

1. **Acceptance; Cancellations.** No acknowledgment by Seller of, reference by Seller to or performance by Seller under any order submitted by Buyer shall be deemed to be an acceptance by Seller of any terms or conditions contained in such order that are additional to or contrary to these Terms and Conditions. Any acceptance by Seller of any oral or written order from Buyer is subject to and includes these Terms and Conditions and is expressly conditioned upon Buyer's assent to any terms and conditions of sale herein which are additional to or different from any terms or conditions of sale contained in any order or communication submitted by Buyer. Except as expressly provided below, no order may be changed or cancelled by Buyer after acknowledgment by Seller without Seller's written consent, and Seller reserves to its sole judgment and discretion when and under what circumstances it will approve any order cancellations or changes. If changes or cancellations are accepted, a change or cancellation fee may be charged to Buyer in accordance with Seller's then current change and cancellation policy.

2. **Delivery.** Unless otherwise specified on the face hereof, the Goods will be delivered F.O.B. Seller's warehouse or plant. Seller shall be deemed to have made timely delivery if delivery is made by the later of (i) 30 days after the delivery date for the shipment set forth on the Acknowledgment (as defined below), or (ii) fifteen (15) days after Seller's receipt of written notice of Buyer's intention to cancel as to a particular shipment because of Seller's failure to timely deliver. Under no circumstances shall Seller's failure to make the timely delivery of a particular shipment permit Buyer to cancel as to any other shipment. Deliveries shall be deemed to be conforming if they do not vary more than ten percent (10%) from the quantity specified, and Buyer agrees to pay for any average not exceeding ten percent (10%) at the contract unit price.

3. **Risk of Loss.** If Seller is to ship the Goods by carrier, risk of loss shall pass to Buyer when the Goods are delivered to the carrier even though the shipment is under reservation. If Buyer is to pick up the Goods at Seller's warehouse or plant, risk of loss shall pass to Buyer on tender of delivery at Seller's plant or warehouse. Anything to the contrary in these Terms and Conditions notwithstanding, risk of loss shall also pass to Buyer upon the occurrence of any of the following events:

- Buyer is unable or refuses to accept delivery on the delivery date for the shipment specified on the Acknowledgment; or
- The Goods are ready for delivery and Buyer has failed to furnish Seller with shipping instructions; or
- Buyer has paid the entire purchase price for a shipment prior to delivery.

Under no circumstances shall Seller be obligated to obtain insurance for Buyer.

4. **Price.** Unless otherwise specified on the face hereof, the price of the Goods is F.O.B. Seller's warehouse or plant and is exclusive of all insurance, freight, packing and unpacking charges and all imposts, duties and taxes. Title and risk of loss shall pass at Seller's warehouse. If Seller pays any insurance, freight, packing, unpacking or other charges in connection with any shipment or any imposts, duties or taxes in connection with any shipment (including, without limitation, any sales, use, excise, value added, ad valorem or property taxes and any interest or penalties in connection with any of the foregoing, but excluding any taxes measured on Seller's net income), Buyer, upon receipt of an invoice from Seller therefor, will promptly reimburse Seller for same. Buyer is either purchasing product for resale or is authorized as a direct pay taxpayer by the state to which use (sales) tax is applicable (Buyer shall provide proof of such direct pay status). If Buyer is purchasing products for resale, Buyer shall furnish the resale certification required by the state of the Buyer's principal office; provided, if goods are shipped elsewhere, Buyer shall furnish such evidence required by the recipient address state. Buyer shall reimburse Seller for any and all tax compliance costs incurred by Seller relating to Buyer's failure to timely furnish any and all of the foregoing tax documentation.

Prices are firm for all Goods scheduled for delivery (in accordance with the delivery date set forth on the Acknowledgment) not more than sixty (60) days from the date of the Acknowledgment. Prices for Goods scheduled for delivery thereafter are subject to increases; provided however, that Seller shall give Buyer prior written notice of any such increases, and Buyer shall have the right to cancel the entire (but only the entire) portion of the sale of Goods affected by such price increases, provided Seller receives from Buyer written notice of such cancellation within fifteen (15) days after Buyer's receipt of Seller's notice of price increase.

5. **Payment.** The due date for payment as to any shipment shall be governed by the date of Seller's invoice for said shipment, and the terms shall be as specified on the Acknowledgment (or if not so specified, upon invoicing). Payment shall be made in U.S. dollars, and, unless otherwise specified on the Acknowledgment, shall be made without discount. Seller shall be entitled immediately to invoice Buyer for Goods as to which Buyer fails or refuses for any reason to accept delivery on the delivery date specified on the Acknowledgment. Any check or remittance received from or for the account of Buyer may be accepted or applied by Seller against any indebtedness or obligation owing by Buyer, as shown by the books and records of Seller, without prejudice to or the discharge of the remainder of any such indebtedness or obligation, regardless of any condition, proviso, statement, legend or notation appearing on, referring to or accompanying such check or remittance. All checks must be sent to Southern Mills, Inc., P.O. Box 198453, Atlanta, GA 30384, and all forms of payment must reference the specific invoice(s) for which payment is submitted.

Late charges will accrue on any amounts payable hereunder from their due date at the lesser of (i) 18% per annum, or (ii) the maximum rate permitted by applicable law. In addition, Seller shall be entitled to assess a \$30 charge for each check returned for insufficient funds. In addition, if Buyer is unable or refuses for any reason to accept delivery of any Goods on the delivery date specified for such Goods on the Acknowledgment, Buyer will pay all costs incurred by Seller as a consequence of the failure or refusal to take delivery, including, without limitation, reasonable charges for storage and handling. Time is of the essence of all payments due hereunder, and in the event any payment due to Seller is collected at law, or through an attorney-at-law or a collection agency, Buyer agrees to pay all costs of collection, including, without limitation, all court costs and reasonable attorneys' fees. In the event Southern Mills retains an attorney to collect any portion of any amount owed by Purchaser to Southern Mills, Purchaser shall pay to Southern Mills, in addition to principal and interest, an amount equal to 15% of the then outstanding principal and interest as reasonable attorneys' fees.

6. **Credit.** Any credit terms extended to Buyer shall be subject to change by Seller, at any time, if Seller, in its sole discretion, determines that its prospects for payment have become or may have become impaired or determines that its credit information regarding Buyer is insufficient for it to confirm that the credit has not been impaired. Under said circumstances, Seller shall have the right to revise the terms of payment as deemed appropriate by Seller, including, without limitation, requiring cash before production or cash before delivery. If Buyer fails to make any payment required by any such revised terms, Buyer shall be in default hereunder. A change of delivery by Seller shall be without prejudice to Seller's right to revise again the terms of payment, even as to the particular Goods which were subject to the initial revision.

7. **Warranties and Disclaimer.** Subject to the terms, limitations, and conditions set forth below, Seller warrants to Buyer (and Buyer only) that, the Goods conform to Seller's issued specifications for said Goods when made. SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO WARRANTY OF MERCHANTABILITY, NO WARRANTY OF NON-INFRINGEMENT OF THIRD PARTY RIGHTS AND NO WARRANTY OF FITNESS OR SUITABILITY FOR A PARTICULAR PURPOSE. Unless otherwise expressly set forth on the face hereof, Seller makes no warranty or guaranty under the Flammable Fabrics Act or regulations issued thereunder or any other federal, state or local laws or regulations regarding flammability or any other characteristics, properties or uses of the Goods. Any samples submitted by Seller shall not be deemed to create any warranties; provided, however, that if Seller submits color samples to Buyer and such samples are approved by Buyer in writing prior to first delivery, Seller warrants that the shade and the fastness of color of the Goods shall correspond as nearly as commercially practicable to the sample, making due allowance for any variation in yarns or fibers, and Seller shall be not responsible for normal variations in finish or shade.

If Buyer does not select colors, designs or patterns or specify assortments within the time specified on the face hereof or on the Acknowledgment, or, if not so specified, at least fifteen (15) days prior to the initial delivery date set forth on the Acknowledgment, Seller may deliver such colors, design, patterns and assortments as determined by Seller, in its sole discretion, and such delivery will constitute full performance by Seller. Should Seller permit Buyer to complete its selections subsequent to the time specified, Buyer's selections will be limited to colors, designs and patterns then available, and Seller may delay delivery for such time as Seller determines it appropriate to comply with such selections, and Buyer shall pay any additional costs resulting from Buyer's delay in having made such selections.

Buyer shall promptly inspect all Goods upon delivery. Any claims as to a shortage, defect or nonconformity in any Goods, including claims for breach of the warranties set forth above, shall be barred and waived unless Buyer notifies Seller in writing of same by the earlier of (i) ten (10) days after Buyer learns or should have learned of the shortage, defect or nonconformity; (ii) the cutting, processing or changing of the Goods from their original condition; and (iii) sixty (60) days from the date the Goods are delivered to Buyer. Buyer's sole remedy for Seller's breach of the warranties set forth above shall be repair or replacement, as determined by Seller, of the defective Goods or refund of the purchase price thereof, as determined at Seller's sole option.

The limited warranty provided above shall not apply to any damage to or failure of the Goods or other damages resulting, directly or indirectly, from acts of God or conditions beyond the reasonable control of Seller, including, without limitation, accidents, fire, misuses, negligence, improper installation, improper storage, modifications, alterations, tampering, vandalism or failure to properly maintain, protect or repair the Goods.

8. **Limitation of Liability.** IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY OTHER PERSON, WHETHER IN CONTRACT OR IN TORT (INCLUDING NEGLIGENCE) OR UNDER ANY OTHER LEGAL THEORY (INCLUDING STRICT LIABILITY), FOR LOST PROFITS OR REVENUES, LOSS OF USE OR SIMILAR ECONOMIC LOSS, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR SIMILAR DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THE SALE, DELIVERY, NON-DELIVERY, SERVICING, INSTALLATION, USE, MAINTENANCE, CONDITION OR POSSESSION OF THE GOODS, OR FOR ANY CLAIM MADE AGAINST BUYER BY ANY OTHER PERSON, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR CLAIMS. IN NO EVENT SHALL SELLER'S LIABILITY UNDER ANY CLAIM MADE BY BUYER EXCEED THE PURCHASE PRICE OF THE GOODS IN RESPECT OF WHICH SUCH CLAIM IS MADE. Any action against Seller for breach of warranty or contract, negligence or other alleged liability arising out of the sale of Goods hereunder must be commenced within one year after such cause of action accrues and must otherwise conform to the requirements of these Terms and Conditions.

9. **Export Controls and FCPA.** Buyer shall not sale, resale, export, reexport, retransfer or engage in or facilitate other transactions contrary to U.S. law, including without limitation, the U.S. Export Administration Regulations, the U.S. International Traffic in Arms Regulations, U.S. economic sanctions regulations administered by the U.S. Treasury Department, and the U.S. Foreign Corrupt Practices Act.

10. **Security Interest.** Buyer hereby grants to Seller a purchase money security interest in the Goods and all proceeds thereof to secure payment of the purchase price and all other obligations of Buyer in connection with the sale of the Goods. Buyer authorizes Seller to prepare and file such financing statements, and agrees to execute such security agreements and other documents, as Seller deems necessary or advisable to evidence, perfect or maintain such security interest. Buyer hereby appoints Seller as Buyer's attorney in fact with full power to execute in Buyer's name and stead and to record financing statements and such other documents as deemed necessary or appropriate by Seller to evidence, perfect or maintain Seller's security interest in the Goods, and Buyer declares that such power is coupled with an interest and is irrevocable.

11. **Default.** Buyer shall be in default hereunder upon the occurrence of any of the following events:
 - a. Buyer fails to make any payment hereunder when due or to comply with any of the other terms and conditions hereof;
 - b. Buyer becomes insolvent or unable to pay its debts as they mature or is generally not paying its debts as they mature;
 - c. Buyer makes a general assignment for the benefit of its creditors;
 - d. A trustee, receiver or other custodian is appointed for any of the Goods or all or a substantial portion of Buyer's assets or property; or
 - e. A proceeding under the Federal Bankruptcy Code or any other insolvency law is instituted by or against Buyer.

If Buyer is in default hereunder, Seller, in addition to any other rights it has under applicable law, shall have the right to do any one or more of the following:

- a. Cease or suspend its performance hereunder;
- b. Terminate this or any other transaction with Buyer (Buyer remaining liable for damages);
- c. Declare, without demand or notice of any kind, all amounts owing by Buyer to Seller in connection with this or any other transaction immediately due and payable, whereupon the same shall become immediately due and payable;
- d. Recover damages arising from Buyer's default, including, without limitation, costs and lost profits associated with Goods not yet delivered;
- e. Recover all costs of collection, including reasonable attorney's fees, as provided above; and
- f. Exercise all rights available to an aggrieved Seller and/or a secured party under the Georgia Uniform Commercial Code. Buyer hereby waives any and all rights to notice and hearing prior to seizure of the Goods upon Buyer's default. Seller's rights hereunder shall be cumulative and in addition to any and all other rights available to Seller under applicable law.

12. **Force Majeure.** Seller shall not be liable for any delays in delivery or any other failures hereunder caused by contingencies beyond Seller's reasonable control, including acts of God, civil insurrections, wars, sabotage, fires, floods, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid (including, but not limited to, priorities, regulations, allocations and price adjustment restrictions), inability to obtain or failure or breakdown of material, inventory, equipment or transportation, and any other similar or different contingency. In the event of delay due to any such contingency, the delivery date shall be extended for a period equal to the time lost by reason of the delay. If, due to any contingency as above described, Seller is unable to supply the total demands for any Goods specified herein, Seller shall have the right to allocate its available supply among its customers and its departments, divisions and affiliates in a fair and equitable manner.

13. Miscellaneous.

- a. No right, title or interest hereunder may be assigned by Buyer without the written consent of Seller, and no attempted assignment shall be of any force or effect. These Terms and Conditions shall inure to the benefit of Seller's successors and assigns and shall be binding upon Buyer's successors and permitted assigns.
- b. No claim of any kind, whether as to goods delivered or for non-delivery of goods, shall be greater in amount than the purchase price of the goods in respect of which such damages are claimed. Failure to give notice of any claim within 90 days of the delivery date shall operate to void such claim. No returns of goods shall be accepted without Seller's advance written permission.
- c. These Terms and Conditions shall be governed by and construed in accordance with the laws of the State of Georgia, including the Georgia Uniform Commercial Code as in effect on the date hereof, without regard to its principles of conflicts of laws; provided, however, that Seller shall be entitled to the benefits of any revisions in the Georgia Uniform Commercial Code hereafter which increase the rights of sellers of goods or secured parties. Wherever possible, each of the terms and conditions hereof is to be interpreted in such manner as to be effective and valid under applicable law, but if any such term or condition is prohibited or invalid under such law, such term or condition is to be effective only to the extent of such prohibition and invalidity, without invalidating the remainder of such term or condition or the remaining terms and conditions hereof.
- d. These Terms and Conditions together with the terms and conditions set forth on the face hereof constitute the entire agreement between the parties governing the purchase and sale of the Goods and supersede all prior and contemporaneous discussions and agreements between the parties concerning the Goods. No promises, covenants, representations or agreements other than as expressly set forth herein have been made, and Buyer represents and warrants that it is not relying on any promises, covenants, representations or agreements other than as expressly set forth herein in entering into this transaction.
- e. These Terms and Conditions may not be modified, amended, changed or terminated, and no term or condition hereof may be waived, unless such waiver, modification, amendment, change or termination is expressed in writing and signed by duly authorized employees of Seller and Buyer. No delay or omission by Seller in exercising any right or remedy shall be a waiver thereof or of any other right or remedy, and no single or partial waiver thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. All rights or remedies of Seller hereunder are cumulative. NO SALESMAN OR MANUFACTURER'S REPRESENTATIVE IS AUTHORIZED TO BIND SELLER TO ANY WAIVER, MODIFICATION CHANGE, AMENDMENT OR TERMINATION.
- f. All notices and other communications hereunder are to be in writing. If sent by U.S. Mail, first class, certified or registered, return receipt requested, postage prepaid and addressed to Buyer or to Seller at their respective addresses as set forth on the face hereof, such notices, demands and other communications are to be deemed to have been delivered when so posted. Either Buyer or Seller may by written notice to the other designate a different address for receiving notices hereunder; provided, however, that no such change of address will be effective until written notice thereof is actually received by the party to whom such change of address is sent.
- g. Upon request, Seller may, but shall not be obligated to, furnish Buyer with advice, recommendations and services with respect to the properties of or cutting, processing, installation, maintenance or other uses of the Goods. Buyer expressly acknowledges that any such advice, recommendation or service is given free of charge and accepted at Buyer's risk on an "AS IS" basis with no warranties whatsoever. Seller assumes no obligation or liability for the advice, recommendations or services so given, and Buyer agrees to indemnify and hold Seller harmless from any liability asserted against Seller as a consequence thereof, including, without limitation, any costs and attorney's fees incurred by Seller in defending any claims arising as a consequence thereof.
- h. These terms and conditions shall be governed pursuant to the laws of Georgia. Any lawsuit arising out of or relating to these terms and conditions shall be brought exclusively in a court of competent subject matter jurisdiction in Fulton County Georgia. The parties hereby consent to venue and waive the defense of personal jurisdiction with respect to such proceeding.
- i. Buyer agrees not to set-off or offset against Seller's invoices amounts that Buyer claims are due to it. Buyer shall bring any claims or causes of action it may have in a separate action and waives any right it may have to offset, set-off or withhold payment for Goods delivered by Seller.
- j. As used herein, "Seller" means Southern Mills, Inc. d/b/a TenCate Protective Fabrics USA.
- k. As used herein, "Buyer" means the customer shown on the face hereof.
- l. As used herein "Goods" means the goods, materials or merchandise described on the face hereof.
- m. As used herein, "Acknowledgment" means Seller's printed acknowledgment form transmitted to Buyer in connection with the Goods.