

GENERAL PURCHASE ORDER TERMS AND CONDITIONS

Effective for all Purchase Orders entered into on or after January 1st, 2017

1. APPLICABILITY:

(a) These terms and conditions apply to any offer by True Textiles Inc. (“**Buyer**”) to purchase the goods specified on any purchase order (the “**Goods**”) from the party to whom the purchase order is addressed (“**Seller**”) in accordance with and subject to these terms and conditions (the “**Terms**”; together with the terms and conditions on the purchase order, the “**Order**”). The Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Seller’s acceptance to the terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller’s general terms and conditions of sale or any other document issued by Seller in connection with the Order.

(b) These Terms apply to any repaired or replacement Goods provided by Seller hereunder.

(c) Buyer is not obligated to any minimum purchase or future purchase obligations under the Order.

2. **ACCEPTANCE:** No Order is binding on Buyer until Seller accepts the Order in writing or starts to perform in accordance with the Order. If Seller does not accept the Order in writing or provide written notice that it has commenced performance within 10 days of Seller’s receipt of the Order, the Order will lapse. Buyer may withdraw the Order at any time before it is accepted by Seller. Order acknowledgement by Seller is expected in 3 business days.

3. **PURCHASE PRICE:** The price set forth on the Order shall in no event be increased without Buyer’s express written consent given by a duly authorized agent of Buyer. If the price on the Order is incorrect, Seller must immediately notify Buyer before processing the Order. Seller may notify Buyer in writing or orally of any incorrect price, but if said notice is oral, Seller shall confirm the applicable price correction to Buyer in writing. If Seller processes any part of the Order or delivers any of the Goods hereunder, Seller represents and warrants that the prices for such Goods are not less favorable than those currently extended to any other customer of Seller with respect to the same or like Goods purchased in equal or similar quantities. If Seller charges any other buyer a lower price for the Goods or if Seller reduces its prices for such Goods during the term of the Order, Seller shall apply such price to all Goods under the Order. If Seller fails to meet such lower price, Buyer may, at its option, terminate the Order without liability.

4. **PACKING:** All goods ordered hereunder shall be suitably packed and marked so as to comply with the shipping instructions found on the Order. Unless otherwise set forth on the Order, Buyer shall not be charged for packing, boxing, marking, cartage or storage. Buyer's records will be accepted as final and conclusive with respect to all shipments which are not accompanied by invoices or shipping documents indicating quantities shipped. Shipments must be made in the quantities specified on the Order and any overshipments may be rejected by Buyer in its sole discretion.

5. **DELIVERIES:** Seller shall deliver the Goods in the quantities, on the date(s) and the shipping terms specified in the Order or as otherwise agreed in writing by the parties (the "**Delivery Date**"). Timely delivery of the Goods is of the essence. If Seller fails to deliver the Goods in full on the Delivery Date Buyer may, in addition to any other rights and remedies available to Buyer, terminate the Order immediately, in whole or in part, by providing written notice to Seller and Seller shall indemnify Buyer against and hold it harmless from any Losses (as defined below) attributable to Seller's failure to deliver the Goods on the Delivery Date. If the shipping terms are Collect On Buyer, and the Seller doesn't perform, the Seller is responsible to assume the extra charge compare to the expected delivery buyer 'costs, if any. Acceptance by Buyer of a late delivery of either the whole or part of the Goods under the Order shall not constitute a waiver of Buyer's claim for any Losses resulting from the late delivery. If due to delivery delays, Buyer finds it necessary to call upon Seller for premium transportation the responsibility for the price differential between the specified transportation and the premium transportation shall be paid by Seller. Goods which are delivered in advance of the Delivery Date are delivered at the risk of Seller and Buyer may, at its option, return such Goods at Seller's expense for proper delivery and/or have payment therefor withheld by Buyer until the Delivery Date.

6. **BUYER'S INSPECTION-DEFECTIVE GOODS:** Buyer has the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Seller shall, at its expense, promptly replace the nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate the Order. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Seller's obligations under the Order, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions. In the event of Buyer's rejection of any Goods, Buyer will, within a reasonable time, notify Seller in writing as to the Goods rejected and will request instructions from Seller with respect to the disposition of such rejected Goods. Pending receipt of Seller's instructions, Buyer shall hold any rejected Goods at Seller's risk and expense. In addition to Buyer's other rights, Buyer may charge Seller all expenses of unpacking, examining, repacking and reshipping of such rejected Goods. In the event Buyer receives Goods whose defects or nonconformity is not apparent on examination, Buyer reserves the right to require the replacement (or full refund), as well as payment of damages. If Seller fails, within a reasonable

time, to furnish Buyer with instructions as to the disposition of such rejected Goods, Buyer may return the rejected Goods to Seller at Seller's expense. Any complaint, claim, notice of any defect or notice of breach, whether with respect to quality, quantity, or any other defect or breach, shall be considered to be timely if it is made by Buyer within thirty (30) days after Buyer discovers or learns of the existence thereof.

7. **PAYMENT TERMS:** Seller shall issue an invoice to Buyer on the completion of delivery. Buyer shall pay all properly invoiced amounts due to Seller in accordance with the terms of the Order, except for any amounts disputed by Buyer in good faith. In the event of a payment dispute, Buyer shall deliver a written statement to Seller no later than 5 days prior to the date payment is due on the disputed invoice listing all disputed items and providing a reasonably detailed description of each disputed item. Amounts not so disputed are deemed accepted and must be paid, notwithstanding disputes on other items, within the period set forth in the Order. The parties shall seek to resolve all such disputes expeditiously and in good faith. Seller shall continue performing its obligations under the Order notwithstanding any such dispute.

8. **SETOFF:** Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller.

9. **EQUAL EMPLOYMENT OPPORTUNITY:** Seller is on notice that Buyer may utilize the Goods specified in the Order in the manufacture of products destined for sale to the United States Government. Seller is therefore deemed to have assumed the obligation of compliance with Executive Orders 11141, 11246, 11375 and all of the provisions of Titles VI and VII of the Civil Rights Act of 1964, as amended, and the Age Discrimination in Employment Act of 1967 and all the rules and regulations promulgated under said Executive Orders and Acts.

10. **SELLER'S WARRANTIES:** Seller warrants to Buyer that for a period of 12 months from the Delivery Date, all Goods will: (a) be free from any defects in workmanship, material and design; (b) conform to applicable specifications, drawings, designs, samples and other requirements specified by Buyer; (c) be fit for their intended purpose and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances; and (f) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by Buyer. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Goods with the foregoing warranties. If Buyer gives Seller notice of noncompliance with this Section, Seller shall, at its own cost and expense, promptly replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of repaired or replacement Goods to Buyer. A Seller may not negate, exclude, limit or modify any warranty otherwise available to Buyer under this paragraph. Any terms in Seller's acknowledgment, sale literature, quotations or any other documents which are in conflict with or in addition to these terms stated on the Order hereof are hereby waived by Seller, except to the extent they are more favorable to Buyer (in Buyer's opinion) than the terms stated on the Order.

11. **SELLER'S BREACH:** If Seller breaches the Order or any portion thereof, or if Seller has manifested an intention not to perform in accordance with the provisions of the Order, Buyer may, by written notice, terminate the Order without further liability to Seller. This right is in addition to any remedy provided elsewhere herein. In such case, Seller shall remain liable to Buyer for damages sustained by Buyer including, but not limited to, any difference between the contract price of the Goods and the price paid by Buyer to replace them. Each of the rights and remedies reserved by Buyer in the Order shall be cumulative and additional to any other or further remedies provided in law or equity.

12. **SELLER'S INDEMNIFICATION:**

(a) Seller hereby agrees to indemnify, defend and hold Buyer, its affiliates, successors or assigns and their respective directors, officers, employees, agents, customers, guests and visitors (collectively "**Indemnitees**") harmless from any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**") arising out of or occurring in connection with the Goods or Seller's negligence, willful misconduct or breach of the Terms. Seller shall not enter into any settlement without Buyer's or Indemnitee's prior written consent.

(b) Seller shall, at its expense, defend, indemnify and hold harmless Buyer and any Indemnitee against any and all Losses arising out of or in connection with any claim that Buyer's or Indemnitee's use or possession of the Goods infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Seller enter into any settlement without Buyer's or Indemnitee's prior written consent.

13. **WORK ON BUYER'S PREMISES:** If the accomplishment of the Order requires delivery, or performance of services or labor in the plants or on the premises of Buyer, Seller will and will cause all of its applicable employees, agents, contractors and subcontractors to comply with all of Buyer's rules and regulations. Seller at all times will indemnify, release, protect, defend and hold Buyer and Indemnitees harmless from and against any and all Losses, arising from personal injury (including death at any time arising therefrom), or property damage to any person including Seller and Buyer, occurring as a direct or under result of, or in any manner connected with the performance of work upon Buyer's premises under the Order unless such personal injury, including death at any time arising therefrom, or property damage shall be caused solely by the gross negligence of Seller, Seller's employees, or employees of any of Seller's subcontractors hereunder.

14. **INSURANCE:** During the term of the Order and for a period of 12 months thereafter, Seller shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to: (i) Commercial General Liability Insurance (including product liability, completed operations and contractual liability) in a sum no less than \$1,000,000 Combined Single Limit; (ii) Workers' Compensation and Employer General Liability Insurance with limits no less than the minimum amount required by applicable law; and (iii) Auto Liability Insurance (Owned, Non-owned and Hired) in a sum no less than \$1,000,000 Combined Single Limit with financially sound and reputable insurers. Upon Buyer's request, Seller shall provide

Buyer with a certificate of insurance from Seller's insurer evidencing the insurance coverage specified in the Order. The certificate of insurance shall name Buyer as an additional insured. Seller shall provide Buyer with 30 days' advance written notice in the event of a cancellation or material change in Seller's insurance policies. Except where prohibited by law, Seller shall require its insurer to waive all rights of subrogation against Buyer's insurers and Buyer or the Indemnitees

15. **COMPLIANCE WITH LAW:** Seller is in compliance with and shall comply with all applicable laws, regulations and ordinances. Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Order. Seller shall comply with all export and import laws of all countries involved in the sale of Goods under the Order. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. Buyer may terminate the Order if any government authority imposes antidumping duties, countervailing duties or any retaliatory duties on the Goods.

16. **TERMINATION:** Buyer may terminate the Order, in whole or in part, at any time with or without cause for undelivered Goods on 5 days' prior written notice to Seller. In addition to any remedies that may be provided under these Terms, Buyer may terminate the Order with immediate effect upon written notice to Seller, either before or after the acceptance of the Goods, if Seller has not performed or complied with any of these Terms, in whole or in part. If Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then Buyer may terminate the Order upon written notice to Seller. If Buyer terminates the Order for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted by Buyer prior to the termination.

17. **CONFIDENTIAL INFORMATION:** All non-public, confidential or proprietary information of Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to Seller at the time of disclosure; or (c) rightfully obtained by Seller on a non-confidential basis from a third party.

18. **FORCE MAJEURE:** Neither party shall be liable to the other for any delay or failure in performing its obligations under the Order to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("**Force Majeure Event**"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist

acts, riots, strike, embargoes or industrial disturbances. Seller's economic hardship or changes in market conditions are not considered Force Majeure Events. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under the Order. If a Force Majeure Event prevents Seller from carrying out its obligations under the Order for a continuous period of more than 10 business days, Buyer may terminate the Order immediately by giving written notice to Seller.

19. **ASSIGNMENT:** Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve Seller of any of its obligations hereunder. Buyer may at any time assign, transfer or subcontract any or all of its rights or obligations under the Order without Seller's prior written consent.

20. **RELATIONSHIP OF THE PARTIES:** The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from the Order.

21. **NO THIRD-PARTY BENEFICIARIES:** The Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

22. **CUMULATIVE REMEDIES:** The rights and remedies under the Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

23. **SEVERABILITY:** If any term or provision of the Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

24. **ARBITRATION:** Any controversy or claim arising out of or relating to the Order, or the breach thereof, shall, at Buyer's option, be determined by final and binding arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules and Mediation Procedures ("**Commercial Rules**"). The award rendered by the arbitrator shall be final, non-reviewable and non-appealable and binding on the parties and may be entered and enforced in any court having jurisdiction, and any court where a party or its assets is located (to whose jurisdiction the parties consent for the purposes of enforcing the award). Judgment on the award shall be final and non-appealable. There shall be one arbitrator agreed to by the parties within twenty (20) days of receipt by respondent of the request for arbitration or in default thereof appointed by the AAA in accordance with its Commercial Rules. If more than one arbitration is commenced under the Order and any party contends that two or more arbitrations are substantially related and that the issues should be

heard in one proceeding, the arbitrator selected in the first-filed proceeding shall determine whether, in the interests of justice and efficiency, the proceedings should be consolidated before that arbitrator. The seat or place of arbitration shall be Bangor, United States of America. The arbitration shall be conducted and the award shall be rendered in the English language. Except as may be required by law, neither a party nor the arbitrator may disclose the existence, content or results of any arbitration without the prior written consent of both parties, unless to protect or pursue a legal right. The arbitrator will have no authority to award punitive damages. Any provisional remedy (including, without limitation, injunctive or other equitable relief) which, but for this provision to arbitrate disputes, would be available at law, shall be available to the parties hereto pending arbitration.

25. **SUCCESSORS AND ASSIGNS:** All of Seller's representations, warranties, guarantees and covenants shall be binding upon the successors and permitted assigns of Seller and shall inure the benefit of Buyer, its successors, assigns and customers and to the benefit of the users of Buyer's product.

26. **SURVIVAL OF REPRESENTATIONS:** All representations, warranties and guarantees of Seller hereunder shall survive the delivery of the Goods to Buyer and the purchase price thereof by Buyer.

27. **CAPTIONS:** The captions in the Order are for convenience only and shall not limit or otherwise affect any of the terms or conditions of the Order.

28. **WAIVER:** Any waiver by Buyer of any default or other breach of the Order shall not constitute a waiver of any subsequent default or other breach.

29. **GOVERNING LAW:** The Order and the construction of the provisions hereof shall be construed and interpreted in accordance with the laws of the State of Maine.

30. **NOTICES:** All notices required to be given under this contract may be given either orally, or by mail to the respective parties at the addresses shown on the Order. In the event oral notice is given, the party to whom notice is given may request that it be provided written confirmation of said oral notice. In this event, the party giving said notice shall comply with said request and promptly deliver said written notice.

31. **LIMITATION OF BUYER'S LIABILITY, STATUTE OF LIMITATIONS:** In no event shall Buyer be liable to Seller for anticipated profits or for special, indirect, incidental or consequential damages. Buyer's liability or any claim of any kind for any loss or damage arising out of or connected with or resulting from this agreement or from the performance or breach thereof shall in no case exceed the price applicable to the goods or services or unit thereof which gives rise to said claim. Buyer shall not be liable for penalties of any description. Any action resulting from any breach on the part of Buyer as to the Goods or services delivered and/or due hereunder must be commenced within one year after the cause of action has accrued.

32. **INGREDIENTS:** Seller will promptly furnish Buyer, upon Buyer's written request, a complete list specifying all ingredients in the composition of the Goods and the amounts and percentages thereof. Thereafter, Seller will promptly advise Buyer in writing of all proposed changes in such composition for Buyer's approval.

**TAX
EXEMPT
NUMBERS**

**STATE OF NORTH CAROLINA
ELKIN #58-2542259**

**STATE OF MICHIGAN
GRAND RAPIDS #F04-3615212**

**STATE OF MAINE
GUILFORD #081046**