

## Terms and Conditions of Order Confirmation

**PAYMENT:** Invoices are payable in United States Dollars. No discount may be taken unless set forth on the face of contract. Any check or remittance received from or on the account of the Buyer may be accepted and 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, provision, statement, legend or notation appearing on, referring to or accompanying such check or remittance. The Buyer shall pay interest to the Seller on any overdue bills at the rate of 1 1/2% per each 30 days past due (ANNUAL PERCENTAGE RATE OF EIGHTEEN PERCENT).

**CREDIT AND DEFAULT:** Seller or its Factor may at any time and from time to time, in its sole discretion, limit or cancel the credit of Buyer as to time and/or amount, and, as a consequence, may require or demand payment before delivery of any unfilled portion of this contract. Upon failure of Buyer to make any such payment within ten (10) days after demand, or in the event of any default, breach or repudiation by Buyer of any contract with Seller, or if Buyer shall become insolvent, or make an assignment for the benefit of creditors, or if a bankruptcy, insolvency, reorganization or arrangement proceeding or a bill in equity or other proceeding for the appointment of a receiver for Buyer is filed or is commenced by or against Buyer under any state or federal law, Seller may cancel this and other contracts with Buyer, defer any shipments hereunder due, declare due and payable all outstanding bills of Buyer under this or any other contract, sell all or any part of the undelivered goods, without notice, at public or private sale, the Buyer to be responsible for the cost and expenses of such sale and for any deficiency. Seller to account to the Buyer for any excess (the Seller having the right to become the buyer of such goods at any such sale). Approval of credit for one or more deliveries under contract shall not be deemed a waiver at the provisions of this paragraph. Any property of Buyer, including, but not limited to, merchandise billed and held (whether paid for or not) at any time in Seller's possession, in the possession of any parent, subsidiary or affiliate company of Seller, either as principal or agent, shall be deemed held as security for, and may at Seller's option be set-off against any and all of Buyer's obligations to Seller, or to any parent, subsidiary or affiliate of Seller.

**CASUALTY AND AVAILABILITY OF RAW MATERIALS:** Seller shall not be liable for any delay in delivery of any part of the merchandise sold hereunder due to accident, strike, riot, embargo, fire, flood, war, casualty, government regulation, Act of God, delay or inability to obtain labor, material, or service through Seller's usual and regular sources, or any other condition or cause beyond the control of Seller. In any such event Seller may, in its discretion, without notice to Buyer, at any time and from time to time, postpone the delivery dates under this contract for a time, which is reasonable under the circumstances, or make partial delivery, or cancel all or any portion of this and any other orders with Buyer. If the source of supply of the goods specified herein should, for any reason, become unavailable, the performance of any other obligations hereunder by either party shall be excused but such termination shall not affect rights and liabilities which vested prior thereto.

**DELIVERIES:** (a) Acceptance of shipment by common carrier shall be deemed delivery. Thereupon title shall pass to Buyer, except on merchandise for which payment is to be made on or before delivery, for which title shall pass only upon payment in full. In the instance of merchandise which is held subject to the Buyer's instruction, or for which the Buyer has failed to supply shipping instructions, or in any case where Seller, in its sole discretion, determines that any part of the merchandise purchased by the Buyer should be held for Buyer's account, Seller may invoice the merchandise and Buyer agrees to make payment at the maturity of the invoice so rendered. Merchandise invoiced and held at any location, for whatever reason, shall be at Buyer's risk and Seller may charge for insurance and storage at prevailing rates. In no event shall Seller be required to hold merchandise for more than three hundred and sixty five (365) days after the production of the lot in question. (b) All freight, express and delivery charges shall be paid as a separate item by the Buyer and shall not be subject to discount. (c) Delivery of a quantity which does not vary more than ten percent (10%) greater or less than the quantity contracted for shall constitute compliance under this contract. (d) Partial deliveries shall be accepted by the Buyer and paid for at contract prices and terms. Delay on delivering samples or other sample requirements shall not constitute a breach of this agreement. Delivery or tender of delivery of any installment within fifteen (15) days after time specified therefore shall be deemed timely delivery. Thereafter, shipment or tender of delivery prior to receipt of written cancellation shall constitute timely delivery. Any defect in quality or delays in delivery shall not affect the balance of this contract. Any delivery not in dispute shall be paid for on the due date, without offset defense or counterclaim.

**WARRANTIES:** BUYER AGREES THAT NO WARRANTY OF ANY KIND; EXPRESS OR IMPLIED OR STATUTORY, HAS BEEN MADE BY SELLER, IN FACT OR IN LAW, INCLUDING THE WARRANTY OF MERCHANTABILITY, OR THAT THE MERCHANDISE WHICH IS THE SUBJECT OF THIS CONTRACT IS SUITABLE FOR ANY PARTICULAR USE OR PURPOSE, THE GOODS SOLD HEREUNDER SHALL BE OF SELLERS STANDARD QUALITY, AND BUYER ASSUMES ALL RISK AND LIABILITY WHATSOEVER RESULTING FROM THE USE OF SUCH MATERIALS, WHETHER USED SINGLY OR IN COMBINATION WITH OTHER SUBSTANCES. SELLER SHALL NOT BE LIABLE FOR NORMAL MANUFACTURING DEFECTS OR FOR CUSTOMARY VARIATIONS FROM QUANTITIES OR SPECIFICATIONS, THE PHYSICAL OR CHEMICAL CHARACTERISTICS OR QUALITIES OF THE MERCHANDISE SOLD HEREUNDER ARE NOT GUARANTEED UNLESS AND EXCEPT TO THE EXTENT SPECIFICALLY PROVIDED FOR HEREIN. ANY MERCHANDISE MADE IN PART OR WHOLLY OF SYNTHETIC FIBERS IS SOLD SUBJECT TO THE IMPERFECTIONS IN SUCH SYNTHETIC FIBERS.

**CLAIMS AND NOTIFICATION OF DEFECTS:** In no event shall Buyer be entitled to consequential, indirect and/or special damages of any nature for defective merchandise or late delivery or non-delivery or otherwise, and in no instance may damages include loss of profit or contemplated use or profit of any description. Buyer shall notify Seller of claimed defects in merchandise immediately upon receipt thereof and in no case later than the earlier of (i) one (1) week after discovery of defect, or (ii) commencement of cutting or processing of such merchandise.

**SELLER'S DAMAGES AS TO UNDELIVERED GOODS:** In the case of undelivered merchandise, Seller's damages shall be the difference between the market price of said merchandise at the date of breach (of the net proceeds of resale if sold for the account of the Buyer) and the contract price thereof plus 15% of the contract price to cover Seller's cost of reselling including additional overhead. Nothing herein contained, however, shall prevent the Seller from requiring the Buyer to specifically perform the contract by taking in and paying for any undelivered merchandise.

**VARIATIONS IN FINISH OR SHADE:** Seller does not guarantee shade or fastness of color unless a sample shall have been submitted by Seller and approved by Buyer prior to first shipment in which case Seller guarantees only that shade and fastness of color which correspond as near as commercially practicable to such sample making due allowance for any variations in yarns. Seller shall not be responsible for normal variations in finish or shade.

**CHANGES:** This contract contains all of the terms and conditions of the contract between Buyer and Seller and shall not be modified controlled or affected in any way by any usage of trade not expressly integrated in terms of this contract. It may not be altered or modified by the Buyer except in writing, signed by the Seller. No waiver by either party of any default shall be deemed a waiver of any subsequent default. There are no options, warranties, or conditions express or implied, statutory or otherwise except those herein specifically contained.

**ASSIGNMENT:** No rights of Buyer hereunder may be assigned without the express written consent of the Seller.

**FORCE MAJEURE:** Neither party shall be liable for any delay or failure in its performance that is outside of its reasonable control including, but not limited to, those which relate to fires, floods, natural disasters, labor strikes, epidemics, pandemics or quarantines, labor, material or transportation shortages, war (declared or undeclared), terrorist activities, riots, governmental actions or orders (including Governmental delay), legal interference or prohibitions, commercial impracticability, defaults or excusable delays on the part of suppliers (each a "Force Majeure Event").

**APPLICABLE LAW:** This AGREEMENT, the terms and conditions to which Buyer has hereby agreed, and transactions contemplated by such agreement and terms and conditions hereof, shall be governed by and construed and enforced in accordance with the laws of the State of New Hampshire.