

**INTERNATIONAL TEXTILE GROUP
STANDARD TERMS AND CONDITIONS**

1. **ACCEPTANCE** - This Purchase Order ("Order") is not an acceptance of any offer to sell but is an offer to purchase from the vendor ("Seller"). It may be accepted within ten (10) days of the order's date only by International Textile Group and its direct and indirect subsidiaries ("Buyer" or "ITG") receiving Seller's acknowledgement in writing, by fax or other EDI transmission or commencement of performance by Seller. Acceptance is expressly limited to the terms and conditions of this Order. By acceptance in any manner described hereinabove, Seller expressly assents to the terms and conditions contained herein to the exclusion of all other terms and conditions including any contained in any acknowledgement, acceptance, letter, quote, invoice or other writing of Seller prior to, simultaneously with, or after acceptance. Any proposal for additional or different terms or any attempt by Seller to vary, in any degree, any of the terms of this Order in Seller's acceptance or acknowledgement shall not operate as a rejection of this Order and this Order shall be deemed accepted by Seller without said additional or different terms.

2. **DIFFERENT TERMS** - Each and every term and condition of this order is deemed to be of the essence. After acceptance, the terms contained in this order, with any attachments, if any, will constitute the entire and only agreement of the parties and will supersede all prior discussions, representations, writings, oral agreements, and understandings, or any language in the acknowledgement or acceptance of Seller to the contrary. Buyer objects to any addition to, change, modification of, revision of, deletion, or waiver of any of the terms and conditions of this order, irrespective of whether such different or additional terms and conditions materially alter this order; such different or additional terms and conditions or amendments will be invalid and rejected unless specifically agreed to in writing by Buyer.

3. **DELIVERY** - Time of delivery is of the essence in this Order. Shipment and delivery dates must be strictly adhered to. Seller shall deliver the goods in accordance with the time schedule(s) set forth in this Order or, if no date is specified, as otherwise specified in writing by Buyer. Shipments must be made no later than the ship date specified in this Order or, if no ship date is specified, as otherwise specified in writing by Buyer. Goods shipped shall be at Seller's risk until title has passed to Buyer. Unless otherwise specified in the Order, place for delivery of goods is Buyer's business. Buyer shall not be obligated to accept untimely, incomplete, unsatisfactory or improper deliveries or shipments. In the event of such a delivery or shipment, Buyer may terminate the whole or any part of the Order, purchase substitute goods and/or expedite shipment by shipping via airfreight and Seller shall bear all additional costs or charges resulting therefrom. Substitutions outside of or overruns above normal accepted standards will not be accepted unless agreed upon by Buyer in writing. Buyer shall be under no duty to inspect goods before resale and all Seller's obligations hereunder, including under paragraph 4, shall survive delivery and/or any inspection, retention, payment, resale, repacking or payment. If Buyer is unable to timely fill customer purchase orders as a result of Seller's failure to deliver ordered goods by the due date, Seller will be liable to Buyer for its lost profits from such orders.

4. **WARRANTIES** - Seller warrants that all goods or services furnished hereunder, together with packaging and labeling, will conform to applicable specifications, instructions, drawings, data and samples, will be merchantable, will be of good material and workmanship and free from defects in design, materials and workmanship, that the goods or services will be fit and sufficient for the purpose intended, that all goods will be free from all liens, encumbrances, and patent, trademark, copyright, trade secret or other intellectual property right infringement or claims for such infringement, that the goods are not misbranded or falsely or improperly labeled, tagged, invoiced, packaged, produced or advertised within the meaning of, and will comply with all federal, state and local laws, rules, regulations, codes, contracts, ordinances, guides, standards and testing requirements thereunder (including without limitation the Federal Trade Commission Act, Wool Products Labeling Act, Textile Fiber Products Identification Act, Hazardous Substances Act, Flammable Fabrics Act, Fair Packaging and Labeling Act and U.S. Customs law) and, where applicable, the laws of foreign countries. These warranties will be in addition to all other warranties, express or implied, and will survive acceptance of and payment for any and all goods or services ordered and will run to Buyer, its successors, assigns, customers, and users of its products. Payment for, inspection of or receipt of goods or services shall not constitute a waiver of any breach of warranty.

5. **INSPECTION/ TESTS** – All goods ordered hereunder will be subject to inspection and testing by Buyer at all reasonable times and places, including Seller's facilities. It is expressly agreed that inspections and/or payments prior to, at the time of or after delivery will not constitute a final acceptance of the goods or services. Buyer shall have the right to reject non-conforming goods or to revoke acceptance of goods.

6. **TRADEMARKS** – Seller acknowledges and will not challenge Buyer's exclusive ownership of Buyer's trademarks, designs and other intellectual property rights. Seller further acknowledges that it acquires no rights whatsoever in any of Buyer's trademarks or designs by virtue of providing goods or services under this Order and agrees that it will not apply for,

attempt to register or otherwise acquire any rights to any of Buyer's trademarks or designs and will assign to Buyer any rights to designs developed in the course or in connection with this Order. Seller shall use Buyer's trademarks only for goods made for and sold to Buyer. All samples, seconds, overruns and/or defective goods shall not bear any Buyer trademark and will be disposed of as agreed to in writing.

7. CONFIDENTIALITY – All drawings, patterns, specifications, designs, plans, costs, pricing, buying habits, costs of materials, lists, concepts, ideas or other data or information ("Information") furnished by Buyer to Seller which relate to Buyer's business shall be considered proprietary to Buyer. Seller agrees that it shall use such Information solely for the purposes of fulfilling its obligations in accordance with this purchase order and shall keep all such Information confidential and will not divulge or use such Information for the benefit of itself or any third party, unless this requirement is waived expressly in writing by Buyer. Seller shall protect such Information and shall restrict the disclosure of Information to such persons who need access to such Information in order to fulfill Seller's obligations under this Order. Seller shall immediately, upon Buyer's request, promptly return to Buyer or destroy all Information, including copies thereof. The provisions of this paragraph 7 shall survive the completion, expiration or termination of this Order.

8. PROPERTY - All equipment, tools, materials, vehicles and any other articles required for Seller's performance of this order shall be furnished by Seller, maintained in good condition, and replaced when necessary at Seller's expense. All designs, specifications, works of art, trade names, trademarks, trade dress, labels, tags and other materials or articles which are supplied by Buyer to Seller or which have been created or developed for Buyer by Seller in connection with the goods contracted for by Buyer are and shall remain the exclusive property of Buyer. Title to and a right of immediate possession of any property of any nature whatsoever furnished or paid for by Buyer shall remain in Buyer.

9. TERMINATION - Buyer may terminate performance of the work under this Order, in whole or in part, by written notice to Seller. Upon receipt of such notice, Seller shall immediately discontinue all work and the placing of all orders for materials, facilities, and supplies pursuant to this Order. Upon termination by Buyer under this paragraph or certain remedies of Buyer (as set out in paragraph 10), Buyer shall negotiate payment to Seller based on Seller's non-recoverable, reasonable and actual documented costs and expenses and shall receive credit for any deposits, down payments, advanced expenses or any other prepayments. In no case, however, shall payments made under this paragraph exceed the aggregate price specified in this Order, less payments otherwise made or to be made. Nothing contained in this paragraph shall be construed to limit or affect any remedies, which Buyer may have as provided in paragraph 10.

10. DEFAULT/ CANCELLATION - If Seller's financial condition, based on reasonable and objective criteria, is found to be or becomes unsatisfactory to Buyer during the term of this contract, Buyer reserves the right, without incurring any liability to Seller, to cancel this Order by written notice and terminate this contract and receive a refund of any deposits, down payments, or other advance payment (except for goods or services already delivered). Buyer also reserves the right similarly to terminate all other contracts covering purchases by Buyer of Seller's products or services whether or not Seller may otherwise be in default, and no rights shall accrue to Seller against Buyer on account of such termination. The foregoing rights of Buyer are in addition to, and not in lieu of, any rights Buyer may possess under 2-609 or other provisions of the Uniform Commercial Code, or other provisions of the law. If Seller fails to perform as specified in this order or breaches any of the terms hereof, Buyer reserves the right, without incurring any liability to Seller, and upon giving Seller written notice, to: (a) cancel this Order in whole or in part, and Seller shall be liable to Buyer for all damages, losses and liability incurred by Buyer directly or indirectly resulting from Seller's breach; or (b) obtain the goods or services ordered herein from another source, with any excess cost resulting therefrom chargeable to Seller; or (c) setoff or reduce all claims for money due or to become due from Buyer to Seller to the extent Buyer is damaged by Seller's failure to perform. The remedies herein provided shall be cumulative and in addition to any other remedies provided at law or in equity. Buyer's failure to insist on performance of any of the terms and conditions herein or to exercise any right or privilege, or Buyer's waiver of any breach hereunder, shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.

11. FORCE MAJEURE – In the event of acts of God, acts or regulations or decrees of any government, unusual natural phenomena such as earthquakes, floods, fires, riots, wars, shipwrecks or other unforeseen causes not attributable to and beyond the reasonable control of the Seller which prevent or delay manufacture, transportation or delivery of the goods or services covered by this purchase order, the Seller shall inform the Buyer, in writing, as soon as possible, but in any event within five (5) days after the start of such Force Majeure, specifying the nature of the Force Majeure as well as the estimated time of duration. In the event the Force Majeure lasts more than thirty (30) days or is expected to last more than thirty (30) days, the Buyer is entitled to immediately terminate the purchase order by notice in writing to Seller without any claim of liability, penalty or damage. In the event of a Force Majeure preventing or delaying acceptance or prompt utilization by Buyer of the goods or services covered by this Order, Buyer shall inform the Seller, in writing, as soon as

possible, but in any event within five (5) days after the start of such Force Majeure, specifying the nature of the Force Majeure, as well as the estimated time for duration. Buyer may provide Seller with a new time schedule and delivery date for the goods or services. Buyer shall not be subject to any claim of liability, penalty or damage.

12. **COMPLIANCE WITH LAWS** - Seller agrees to comply fully with all applicable laws, ordinances, rules, regulations, and orders of the United States and of all applicable foreign nations and of each of the governmental subdivisions thereof pertaining to the production and sale of the goods or services ordered, and, upon request, Seller shall furnish Buyer certificates of compliance. Seller will also properly complete and execute all required country foreign declarations and quota charge statements in the manner and form required by the U.S. Customs Service or applicable foreign customs service. These United States laws shall include, without limitation, the following: The Fair Labor Standards Act of 1938, as amended; Federal and State OSHA requirements; the Equal Opportunity clause of Executive Order #11246, as amended; the Vietnam Era Veterans Readjustment Assistance Act, as amended; the rules and regulations of the office of Federal Contract Compliance; Section 503 of the Rehabilitation Act; Toxic Substances Control Act and The Federal Hazardous Substances Act. With specific references to the Toxic Substances Control Act, Seller warrants that each chemical substance delivered under this order shall be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to ¶ 8 of the Toxic Substances Control Act. If this order is placed, directly or indirectly, under a contract to which the United States or any state or other governmental authority is a party, then all terms and conditions required by law or regulation or contained in the government contract with respect to this order are incorporated herein by reference.

13. **EQUAL EMPLOYMENT OPPORTUNITY – International Textile Group is a federal contractor and complies fully with Executive Order 11246, as amended, the Vietnam Era Veteran Readjustment Assistance Act, as amended, and Section 503 of the Rehabilitation Act, as amended. Seller shall abide by the requirements of 41 CFR 60–1.4(a), 60–300.5(a) and 60–741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.**

14. **INDEMNIFICATION** - Seller agrees to indemnify and hold harmless Buyer, its officers, directors, agents, employees, successors, assigns, customers and users of Buyer's goods from and against any and all claims, damages, losses, penalties, expenses, suits at law or in equity, or any liability whatsoever, including attorneys' fees, arising out of or resulting from (a) any transaction in which Buyer has placed an order, (b) any false declaration regarding the country of origin in violation of any customs law, (c) any false statement or labeling regarding fiber content or other representation regarding the nature or quality of the goods, (d) any alleged defect in the goods or services that is alleged to have caused the death of or injury to any person, or damage to any property, under whatever theory, (e) any injury or death to persons or damage to property arising from acts or omissions of Seller's agents, employees or subcontractors while on Buyer's premises, (f) the failure of Seller to comply, in the furnishing of goods or services under this order, with all applicable domestic or foreign national, state, or local laws, ordinances, rules, regulations or orders as set out in paragraph 12, or (g) any claim that the manufacture, use, sale or resale of any goods or services supplied by Seller under this order infringe any patent, copyright, trademark or other intellectual property right, and Seller, when notified, shall, at Buyer's sole option, either defend any such claim or suit at its own expense employing attorneys approved by Buyer, or reimburse Buyer's expenses and costs, including attorneys' fees.

15. **INSURANCE** - Seller shall maintain and require its subcontractors to maintain: (a) Public liability and property damage insurance (including contractual liability), both general and vehicle, in amounts sufficient to cover obligations set forth above; (b) worker's compensation and employer's liability insurance covering all employees engaged in the performance of this order. Seller shall furnish, upon Buyer's request, certificates evidencing such insurance.

16. **ASSIGNMENT** - This Order may not be assigned by Seller, including by operation of law or otherwise, nor may Seller delegate the performance of any of its duties hereunder without Buyer's prior written consent.

17. **INDEPENDENT CONTRACTOR** - Seller is an independent contractor. This Order shall not be deemed to constitute or create a partnership between Seller and Buyer or to make Seller an agent or employee of Buyer for any purpose whatsoever. Seller has no authority to bind Buyer, to contract on Buyer's behalf or to otherwise create any liability of Buyer.

18. **APPLICABLE LAW/LANGUAGE-** The validity, interpretation, and performance of these terms and conditions shall be decided in accordance with and governed exclusively by and under the laws of the State of North Carolina, U.S.A. applicable to agreements made and to be performed therein, without regard to the application of rules regarding conflicts or choice of laws. This agreement shall not be subject to or governed by the United Nations Convention for International Sale of Goods (CISG). All documents, including invoices, shall be in the English language and will specify the country of origin.

19. **JURISDICTION** – Seller consents to the exclusive jurisdiction and venue of the state and federal courts located in Guilford County, North Carolina for adjudication of any claim or dispute arising under this Order or otherwise occurring between the parties.

20. **PUBLICITY** – Seller shall not, without the prior written consent of Buyer, disclose, make any public announcement, issue a press release, make a statement to third parties, advertise or make or authorize the publication of any article which identifies, relates to or provides publicity to this Order and the work being performed by Seller hereunder, or that features, highlights or comments upon any of the trademarks of Buyer or otherwise relates to Buyer.

21. **SEVERABILITY** – The terms and conditions of this Order are severable and if any terms and conditions or portions of any terms and conditions herein are stricken or declared illegal, invalid or unenforceable for any reason whatsoever, the legality, validity or enforceability of the remaining terms and conditions shall not be affected thereby.

22. **INTEGRITY** - International Textile Group, Inc. takes pride in being a responsive and responsible producer of quality fabrics and fabric-based product solutions and services throughout the world. Integrity in dealing with others is a guiding principle of ITG. Beyond legal and regulatory compliance, our dealings with others inside and outside the company are based on mutual respect, open communication, and cooperation. This behavior preserves the trust and respect of our fellow employees, customers, suppliers, and investors, and our neighbors in the communities where we live and work. In accordance with this principal, ITG expects and Seller agrees to comply with the following guidelines. Seller will also execute a Certification of its compliance at the request of ITG.

Responsible Business Practices

All ITG approved vendors must conduct themselves in a legal and ethical manner and in accordance with ITG's Terms of Engagement. All ITG approved vendors must comply completely with all applicable laws and regulations in the country in which they are located.

Freedom of Association and Collective Bargaining

All ITG approved vendors shall respect employee rights to freedom of association and adhere to all local laws regarding such organizations. Workers must be allowed to join, or not join, trade organizations and participate in collective bargaining. Every effort should be made to ensure employees are free from pressure, intimidation, or retaliation regardless of their choice to join or not join a trade organization.

Health and Safety

All ITG approved vendors must provide a safe and healthy workplace for their employees at all times. This includes, but is not limited to: legal and regulatory compliance, building safety, proper handling of hazardous materials, emergency planning and training, management of air quality and noise levels, safety equipment, and posted signs. Additionally, all relevant health and safety guidelines also apply to company provided worker dormitories, when present.

No Child Labor

No ITG approved vendor shall employ workers below the age of 15 or younger than the local minimum age if it is higher than 15. Operations employing persons under the age of 18 must, at a minimum, adhere to the International Labor Organization (ILO) standards regarding children's rights.

No Involuntary or Forced Labor

No ITG approved vendor shall utilize prison, indentured, bonded, or any other type of compulsory labor.

Fair Compensation

All ITG approved vendors must provide wages and benefits at or above either the country's legally required minimum wage or the prevailing industry wage, whichever is greater. Employees must be offered all legally required benefits. Wages shall be paid in regular intervals and accompanied by a written document that is clear

and understandable. Employees must receive full compensation for overtime at the rate and level established by local regulations.

Hours of Work

All ITG approved vendors shall comply with both the national and ILO regulations regarding work hours. Employees shall not be required to work in excess of local legal limitations. Employees must be informed at the time of hiring if mandatory overtime is a condition of employment. All employees shall be entitled to at least one day off in every seven-day period.

Discrimination, Diversity, and Equality

While ITG recognizes and respects cultural differences, workers should be employed and promoted on the basis of their abilities and not their personal characteristics or beliefs. No ITG approved vendors shall adopt practices or policies regarding hiring, compensation, advancement, termination, or access to training that discriminates on the basis of race, color, religion, sex, gender identity, sexual orientation, national origin, age, disability, or any other legally protected category. No employee shall be subject to neither humiliating or corporal punishment nor physical, sexual, psychological, or verbal abuse.

Documentation and Training

All ITG approved vendors must keep written documentation of their adherence to these policies on site and made available upon request to ITG.

Responsible Sourcing

In line with ITG and their direct and indirect subsidiaries' organizational values, ITG approved vendors shall not;

- Knowingly source any product, including cotton fiber or fabric, from Turkmenistan, Uzbekistan or Syria to ITG.
- Knowingly use Tantalum, Tin, Gold or Tungsten (3TG) or any other materials or their derivatives sourced from the Democratic Republic of Congo (DRC) or any adjoining countries to the DRC.

Environmental Stewardship

All ITG approved vendors must comply with all applicable environmental protection laws and regulations present in the country in which they operate. Facilities shall practice environmental management policies and procedures regarding emissions, greenhouse gases, water use, energy use, waste and hazardous materials including, but not limited to, maintaining appropriate permits. Organizations should be aware of their environmental footprint and develop a culture of continuous improvement built to mitigate perceived negative impacts.

Wastewater Discharge

ITG approved vendors must operate in full compliance with local regulations regarding water withdrawal and wastewater discharge. Facilities, whether treating wastewater internally or discharging to an industrial wastewater treatment facility, must maintain current permits and comply with those requirements laid out in the permit.

Responsible Chemistry

All ITG approved vendors must operate and maintain adequate policies and procedures regarding chemical management. This includes verifying that the storage, handling, use, and disposal of all chemical products are in compliance with the corresponding Material Safety Data Sheets or Safety Data Sheets. Also, ITG approved vendors that provide chemicals products to any ITG facility must ensure they submit, at least annually, the Annual Manufacturing / Restricted Substance List (M/RSL) Chemical Disclosure Form to ITG. Furthermore, ITG approved vendors that provide New chemical products to any ITG facility are required to submit the New Product Disclosure form for each new chemical product before it enters the facility. New chemicals products are defined as **any** chemical products that **have not been** supplied to the applicable ITG facility previously under the same trade name. It is the expectation that each ITG approved vendor providing chemicals to an ITG facility, will take the initiative to both request and submit the required forms. Forms can be requested from and submitted to Randall.Fulghum@itg-global.com.

Vendor Audits

All ITG approved vendors must agree, when given a reasonable amount of prior notice, to be inspected, monitored and evaluated against the requirements laid out in the ITG's Terms of Engagement.