

SPRINGS GLOBAL US, INC.  
STANDARD PURCHASING TERMS & CONDITIONS

*This Purchase Agreement ("Agreement") applies to all purchases of goods/services made by Springs Global US, Inc. ("Springs") from supplier ("Supplier", "You" or "Your"), by means of a purchase order dated on or after June 16, 2010.*

*These Terms and Conditions will govern the order and purchase by Springs of any goods/services from You. This offer expressly limits Your acceptance to the Terms and Conditions stated herein or on the face of the Purchase Order and any attachments. All additional, inconsistent or conflicting terms proposed by You in acknowledging and accepting Springs order or in any invoice, acknowledgement, delivery receipt or other communication submitted by You are hereby rejected and will be of no force or effect, unless such conditions or terms are accepted in writing by Springs. Your acknowledgement of Springs' order, or the shipment of goods or commencement of performance constitutes Your unqualified acceptance of the applicable order and these Terms and Conditions. This Agreement, Purchase Order, any attachments and applicable modifications, constitute the entire agreement of the parties for the applicable transactions identified therein, and is binding on Springs and You and Your successors or assigns.*

**Purchase Orders.** From time to time Springs may issue purchase orders to You for the purchase of goods and/or performance of services ("**Purchase Order**"). Each purchase shall be subject to this Agreement and the terms of the applicable Purchase Order and may not be varied without the express written consent of Springs. Each shipment or performance must strictly conform to the terms of this Agreement and the applicable Purchase Order. If any term of this Agreement conflicts with a term in a Purchase Order, the term of the Purchase Order shall be the controlling term. Any term or condition set forth in any written acknowledgement or correspondence sent by You that modify, add or delete terms and conditions of the Purchase Order are hereby rejected and shall have no force or effect.

Purchase Orders may be issued for goods which use or incorporate intellectual property owned by third parties ("**Licensed Goods**"). You understand and acknowledge that Springs' right to contract with You to manufacture such Licensed Goods has been granted under a separate license with the intellectual property owner; therefore, the rights and privileges of such purchase may be terminated immediately upon the termination or expiration such license. You further understand and agree that, apart from the terms and conditions herein expressed, such Purchase Order shall also be subject to all terms and conditions of the license, which may be amended from time to time.

**Offer.** You acknowledge and agree that this Agreement and each Purchase Order represent an offer to purchase goods/services made by Springs and is not an acceptance of any prior offer made by You. Springs hereby expressly rejects any and all prior offers made by You.

**Acceptance.** Your acknowledgement of Springs' Purchase Order by any means, including without limitation shipment of goods, commencement of performance or promise to perform, means that You accept the terms and conditions of this Agreement and the applicable Purchase Order.

If you allow more than forty- eight (48) hours to lapse from the time a Purchase Order is received by You, neither accepting the Purchase Order in the manner indicated above or giving Springs written notice of rejection, then the Purchase Order will be deemed accepted by You.

Delivery of goods/services shall be deemed only upon the terms and conditions contained in this Agreement and Purchase Order, notwithstanding any terms and conditions that may be contained in any acknowledgement, invoice or other form of Yours and notwithstanding Springs' act of accepting or paying for any good/service or similar act of Springs.

**Pricing and Payment.** All pricing shall be set forth in detail in the Purchase Order, and such prices are firm, and not subject to any additional charges for packing or preparation for shipment or because of increased cost of operation, or because of any taxes or excises levied on processors, manufacturers and wholesaler or otherwise. The Purchase Order shall not, without written authorization from Springs, be filled at a higher price than specified therein. You warrant the pricing for any goods and services shall not exceed the pricing for the same or comparable goods/services and the parties shall promptly make the appropriate price adjustment.

Unless otherwise specified in the Purchase Order, payment terms shall be net ninety (90) days from date of invoice or if later from Springs' acceptance of the goods/services. Springs shall not be held liable for invoices that are submitted more than nine (9) months from acceptance of the goods/services. No interest charges or other penalties for late payment may be assessed by You without the prior written consent of Springs. Springs may withhold or set-off from any amounts otherwise due to or owed by You to Springs or its affiliates. Springs reserves the right to withhold any payments due You, without penalty or forfeiture, until all disputes (whether or not related to the Purchase Order and whether or not existing or arising in the future) between Springs and You, are settled.

If any services provided by You are not in full compliance with this Agreement and applicable Purchase Order, then Springs is entitled to credit for the full price or to withhold payment in whole or in part as long as services are not in full compliance. The rights and remedies set forth in this Section are not exclusive and nothing herein limits the rights and remedies Spring may have under this Agreement or at law.

Payment for any goods on the Purchase Order shall not constitute approval or acceptance of such goods by Springs, and Springs' right of inspection shall survive payment. You shall repay Springs the purchase price of any goods found to be defective, not to conform to specifications or samples or not shipped in accordance with Springs' delivery schedule. Rejected goods, with the exception of Licensed Goods, shall be returned to You at Your expense and You shall bear all risk of loss as to rejected goods. The return of Licensed Goods are subject to the terms and conditions of the license which may require that goods be destroyed. Springs may elect to retain rejected goods and remedy any defects or nonconformity to the specifications, drawings or samples; and the cost of effecting such remedy shall be offset against any amounts due to You from Springs.

**Changes.** Springs may at any time make changes in written, electronic or facsimile form to any Purchase Order, including changes in the drawings or specifications, methods of shipment, warranties, packing, or time or place of delivery or performance at any time. You shall waive any claim for adjustment unless asserted within ten (10) days from Your receipt of the change or suspension notification, and may only include reasonable, direct costs that will necessarily be incurred as a direct result of the change.

**Shipping Instructions.** Time is of the essence of this Purchase Order. Springs shall be entitled to recover damages that it incurs as a result of Your failure to perform as scheduled. You shall notify Springs immediately if you are unable to ship or perform timely. Springs shall have the right to refuse any goods/services with untimely delivery or performance and cancel the balance of the Purchase Order for any part of the goods/services due after untimely delivery. By accepting the untimely delivery or performance of any installment, Springs shall not be bound to accept future shipments or performance nor be deprived of its right to return goods already accepted nor to claim damages for untimely delivery or performance.

*Domestic Shipping:* All purchases shall be shipped F.O.B. Destination, Freight Collect unless otherwise specified in a Purchase Order. Additionally, unless otherwise specified in the Purchase Order, prior to domestic shipment, You must call Springs, Load Control Center at 803-547-1444 for shipping instructions. You agree to comply with the requirements set forth in the Springs' Vendor Compliance and Routing Guide which can be found at [www.springs.com](http://www.springs.com), and which is in effect as of the date of the applicable Purchase Order.

*International Shipping:* All purchases shall be shipped F.O.B. Origin unless otherwise specified in the Purchase Order. Each shipment shall conform to the terms of this Agreement and the applicable Purchase Order. In particular, You agree to deliver all goods in accordance with the International Commercial Term (INCOTERMS 2010, as updated from time to time) stated on the applicable Purchase Order. Deliveries must be made on required delivery date or within seven (7) days prior to that date. You agree to follow any and all additional shipping instructions provided by Springs so long as such instructions are commercially reasonable.

If goods will cross an international border, You shall provide a complete set of documents to each of the following parties: (i) NYK Logistics, (ii) Springs Import Accounting and (iii) Springs Transportation. L/C, DA, DP and CAD document distribution shall be dictated by the Terms and Conditions therein. You must deliver the goods to Springs' designated freight forwarder in time for the freight forwarder to ship the goods to Springs on the required delivery date or within seven (7) days prior to that date. You agree to follow any and all additional shipping instructions provided by Springs so long as such instructions are commercially reasonable. You are responsible for factory and container security until such time as the container/goods is delivered to the ocean terminal, authorized yard or consolidation point.

If goods will be delivered to a destination country having a trade preferential or customs union agreement ("Trade Agreement") with Your country, You shall cooperate with Springs to review the eligibility of the goods for any special program for Springs' benefit and provide Springs with any required documentation (e.g., NAFTA or CAFTA Certificate, EUR1 Certificate, GSP Declaration, FAD or other Certificate of Origin) to support the applicable special customs program (e.g., NAFTA or CAFTA, EEA, Lome Convention, GSP, EU-Mexico FTA, EU/Mediterranean partnerships, etc.) to allow duty free or reduced duty for entry of goods into the destination country. Similarly, should any Trade Agreement or special customs program applicable to the scope of any Purchase Order exist at any time during the execution of the same and be of benefit to Springs in Springs' judgment, You shall cooperate with Springs' efforts to realize any such available credits, including counter-trade or offset credit value which may result from this Purchase Order and acknowledges that such credits and benefits shall inure solely to Springs' benefit. You shall indemnify Springs for any costs, fines, penalties or charges arising from Your inaccurate documentation or untimely cooperation. You shall immediately notify Springs of any known documentation errors.

**Importer Security Filing.** Springs may assess You a penalty and/or liquated damages up to Five Thousand Dollars (\$5,000 USD) per violation for failure to provide complete and accurate information required for Importer Security Filing ("ISF") at least seventy-two (72) business hours prior to the vessel arrival at origin port for ocean shipments. You shall be responsible for contacting Springs' assigned forwarder (NYK Logistics) as needed to ensure that all required information is timely provided and all ISF requirements are fulfilled. These obligations apply to all basis of sales except DDP US Destination. Any and all storage charges at the port caused by the delay of information required for ISF shall be paid by You.

**Tests and Registrations.** You, at your sole cost and expense, shall perform, or cause to be performed, all tests on the goods/services required by the Customer Product Safety Commission and any other federal, state and local laws, or the laws of any United States Commonwealth or territory where Springs does business and shall maintain for a period of not less than three (3) years certificates indicating that all applicable tests have been administered and passed. Such tests shall be conducted by a nationally recognized and where required certified testing agency. You shall make available, and at Springs request shall furnish, to Springs copies of such certificates and shall permit Springs or any person or persons authorized by Springs to inspect and make copies of all records maintained by You in connection with such tests. You shall obtain and provide to Springs upon request any and all registration numbers, license numbers, or the like, required by any federal, state, local, foreign, provincial or territorial governmental agency or authority having jurisdiction over the goods type in question, the sale of such goods, and/or any claims made regarding the goods or any of its qualities.

**Compliance with Laws.** You represent and warrant that, in the production and sale of goods to be delivered pursuant hereto, and in the performance of services hereunder, You have complied with all applicable federal, state, and municipal laws and regulations, including, without limitation, (a) all such laws and regulations pertaining to health, safety and environmental standards, (b) all such laws and regulations pertaining to design, manufacture, testing, labeling and transportation of such goods, and (c) all such laws and regulations pertaining to affirmative action, nondiscrimination and equal opportunity.

**Warranties.** In addition to warranties expressed or implied by law, You covenant, represent and warrant that the goods/services and the use, importation, design, construction, assembly, production, shipment, sale, packaging, labeling, packing, advertising instructions and warnings or lack thereof and other printed matter furnished or authorized by You shall: (i) conform strictly to Springs' specifications, if any, and to any samples You have provided to Springs; (ii) be free from defects in design, material and workmanship and/or materials; (iii) be new and of merchantable quality and suitable for the particular purposes intended, whether express or reasonably implied; (iv) be manufactured, packed for shipment, marked with the country of origin or other information required by law, rule or regulation and where required, be registered, in accordance with all applicable federal, state and local laws; and (v) not infringe or encroach upon any party's personal, contractual or proprietary rights, including without limitation patent, copyright, trademark, trade name, or trade secret rights.

You specifically warrant that all goods and packaging purchased by Springs from You: (i) were manufactured in Your country; (ii) were manufactured in accordance with the laws of Your country; and (iii) were manufactured without the use of Toluene (or materials containing Toluene), Toluol, Nitrous Oxide, or Butyl Nitrate. You agree to ship all Purchase Orders one hundred percent (100%) complete in the mix or ratio as stated on the Purchase Order.

You further warrant to ship one hundred percent (100%) first quality goods. You agree to provide, at Your own expense, all documents necessary for the proper exporting of the goods from Your country and the proper importing of the goods into the U.S. You agree to include on Your invoice the product description and Harmonized Tariff Schedule number contained on Springs' related Purchase Order.

The warranties shall apply to Springs, its successors, assigns and the users of goods and services covered by the Purchase Order.

Springs acceptance of all or any part of the goods/services provided hereunder shall not be deemed a waiver of the failure of such goods/services to conform to all of the warranties. Springs retains the right to cancel any portion of the remaining order, to reject any portion of the goods or services delivered, or to revoke acceptance as to any portion of the goods or services accepted, and return such goods to You and to recover the purchase price, any excess costs of removal or recall, transportation and custodial expenses, injury to person or property incurred by Springs, all in addition to Springs' other remedies under this Agreement, a Purchase Order or applicable law.

**Remedies.** Without limiting any additional right or remedy Springs may have under the Agreement or law, You acknowledge and agree that Springs has the right, in its sole discretion, to exercise any of the following remedies:

(a) *Remedies with Respect to Quantity:* You are expected to deliver the quantity ordered on a Purchase Order. If You make shipments in excess of the ordered quantity, Springs may, at its option (i) retain the additional goods and pay only for the quantity identified on the Purchase Order; or (ii) require that You repossess or destroy the excess quantity, and require that You pay for or reimburse Springs for all repossession and/or destruction costs, including but not limited to temporary storage costs.

(b) *Remedies with Respect to Quality:* Springs shall only be required to pay for first quality goods that are ordered and received. Springs may, at its option: (i) cancel any Purchase Order if more than five percent (5%) of the goods received (in the mix that was ordered) are not first quality. You shall inform Springs whether You want to repossess the goods or have them destroyed. You shall be responsible for all repossession costs or destruction costs, as well as any temporary storage costs incurred by Springs; (ii) reclassify and sell any off quality goods as seconds; or (iii) rehandle such goods so as to make them first quality goods, in which case You shall be responsible for all rehandling costs incurred by Springs, including but not limited to temporary storage costs.

(c) *Remedies with Respect to Timely Deliveries:* Springs may, at its option: (i) cancel any Purchase Order if more than five percent (5%) of the goods (in the mix that was ordered) are not received on a timely basis; (ii) require You to expedite the freight arrangement for any Purchase Order that is not timely delivered, so that the goods arrive at Springs' warehouse at the time they would have if the Purchase Order had been timely delivered. If the unit prices on the Purchase Order were based on an F.O.B. foreign port basis of sale, the unit prices shall be converted to a CFR port of entry basis. You shall be responsible for all freight costs above and beyond the freight cost that would have been incurred by Springs had the Purchase Order been delivered on a timely basis; (iii) charge a late delivery fee for any shipment that is not one hundred percent (100%) timely delivered (as documented on the Purchase Order or as otherwise agreed to in writing by Springs' Supply Planning Department). The amount of the late delivery fee shall equal two percent (2%) of the entire value of the related Purchase Order; or (iv) purchase elsewhere and hold You liable for any additional loss, cost, damage or expense incurred thereby.

In addition to any Remedies described above, Springs may assess You for the following: (i) up to a \$1,000 administrative charge for any shipment that involves a short shipment, off quality goods, or a late delivery; and (ii) any charge or expense assessed against Springs by any customer of Springs as a result of Your partial delivery against a Purchase Order, Your short shipment against a Purchase Order, Your delivery of off quality goods with respect to a Purchase Order or Your late delivery of a Purchase Order.

**Insurance.** You shall maintain, at a minimum, insurance in the amounts and coverage described below with an insurance provider acceptable to Springs. You shall cause Springs to be named as an additional insured under all of Your applicable

insurance coverage and You shall provide to Springs a certificate of insurance that meets the following requirements:

- (i) states that all vendor coverage is to be primary;
- (ii) certificate is an original document;
- (iii) includes Springs Global US, Inc., its successors and assigns as additional insured under the General Liability Cover;
- (iv) lists all subsidiaries or DBA's covered by the certificate provided;
- (v) provides at least thirty (30) days notice of cancellation; and
- (vi) shows complete insurance carrier names as listed in the A.M. Best Property & Casualty Guide.

The Certificate of Insurance must be completed in its entirety and signed. Binders are not acceptable.

**Commercial General Liability (CGL)** (occurrence form) coverage not less than:

\$2,000,000 General Aggregate  
\$1,000,000 Products and Completed Operations Aggregate  
N/A Personal and Advertising Injury  
\$1,000,000 Each Occurrence  
N/A Fire Damage  
Coverage must be placed with a carrier rated not less than A-, VI by A. M. Best & Co.  
The required additional insured wording is: Springs Global US, Inc., its successors and assigns.

**Commercial Automobile Liability:**

\$300,000 Combined Single Limits  
or  
\$100,000 Bodily Injury per person  
\$300,000 Bodily Injury per accident  
\$100,000 Property Damage  
Coverage must be placed with a carrier rated not less than A-, VI by A. M. Best & Co.

**Workers' Compensation:**

**Coverage A** State Statutory Limits

**Coverage B - Employer's Liability Coverage**

\$100,000 Each Accident  
\$500,000 Disease - Policy Limit  
\$100,000 Disease - Each Employee  
Coverage must be placed with a carrier rated not less than A-, VI by A. M. Best & Co.

**Indemnification.** You agree to defend, indemnify and hold Springs, its directors, officers, employees, agents representatives, successors and assigns, harmless against all claims, demands, losses, judgments, fines, penalties, damages, costs, expenses, and liabilities, including reasonable attorneys' fees and costs, related to, in connection with or arising from: (i) Your breach of any representation, warranty or covenant of this Agreement, (ii) the acts or omissions of You or Your employees, agents or contractors under this Agreement, including but not limited to claims of product liability, and/or (iii) any actual or alleged unauthorized use of any patent, process, idea, method, device, trademark or design by You (other than such provided to you by Springs) in connection with the goods or services provided under this Agreement.

**Termination without Cause.** Springs may, without cause, terminate this Agreement or any Purchase Order, in whole or in part upon thirty (30) day written notice to You. In such event, You shall be entitled to a reasonable termination fee consisting of a percentage of a Purchase Order price reflecting the percentage of work, goods timely delivered, or services properly performed prior to termination. Payment of such termination fee shall be Your sole remedy. Upon Springs request, You shall preserve, protect, and deliver to Springs, at Springs expense, materials on hand, work in progress and completed work, both in its own and in Your plants.

**Termination for Cause.** Springs may, by written notice to You, terminate a Purchase Order, or any part thereof, if You breach any of the terms and conditions of a Purchase Order and/or this Agreement. By way of example, (a) failure by You to make timely, complete and conforming delivery of goods and services, or (b) breach of the representations or warranties set forth in the Purchase Order and/or this Agreement, shall entitle Springs to terminate a Purchase Order for cause. If Springs terminates for cause, Springs shall have no payment obligations to You. Should a court of competent jurisdiction subsequently determine that Springs' termination for cause was wrongful or unjustified, then such termination shall be automatically considered a termination without cause and You shall have all rights under that provision, but no other rights or claims for damages.

**Termination for Insolvency/Prolonged Delay.** If You cease to conduct operations in the normal course of business or fail to meet your obligations as they mature or if any proceeding under the bankruptcy or insolvency laws is brought by or against You, a receiver for You is appointed or applied for, an assignment for the benefit of creditors is made or an excused delay (or the aggregate time of multiple excused delays) lasts more than sixty (60) days, Springs may immediately terminate this Purchase Order without liability, except for goods or services completed, delivered and accepted within a reasonable period after termination (which will be paid for at the Purchase Order price).

**Goods Purchased for Specific Purpose or Customer.** If Springs purchases goods/services for a particular purpose or customer, Springs may cancel any portion of the remaining order, reject any portion of the goods or services delivered, or revoke acceptance as to any portion of the goods or services accepted, and return all such goods to You if the purpose and/or customer order is reduced or cancelled.

**Limitation of Liability.** In no event shall Springs be liable to You or your employees, representatives, agents, supplier or subcontractor for any incidental, indirect, special or consequential damages arising out of, or in connection with, this Agreement, whether or not Springs was advised of the possibility of such damage.

**Governing Law and Arbitration.** Each Agreement and each Purchase Order shall be governed by the laws of the state of South Carolina applicable to contracts entered into and to be performed entirely with such State. **Both parties agree that if they cannot resolve a dispute arising from this Agreement, they will submit the dispute to binding arbitration under the rules of the American Arbitration Association to be heard by one arbitrator in Charlotte, North Carolina.** Both parties expressly acknowledge that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or any Purchase Order.

**Force Majeure.** Neither party will be liable for any delay or failure to perform due to causes beyond its reasonable control, including acts of God, strikes, embargoes and government action; provided that reasonably prompt notice is given to the other party. Upon receipt of Notice, the receiving party may cancel any Purchase Order that will be delayed more than fifteen (15) days due to reasons of force majeure.

**Confidential or Proprietary Information and Publicity.** You shall keep any confidential and proprietary information, including but not limited to technical, process, design, marketing, sales, revenue or income or economic information, derived from drawings, specifications and any other data and/or information furnished by Springs in connection with this Purchase Order ("Confidential Information") and shall not divulge, directly or indirectly, the Confidential Information for the benefit of any other party without Springs' prior written consent. Confidential Information shall also include any notes, summaries, reports, analyses or other material derived by You in whole or in part from the Confidential Information in whatever form maintained. Upon completion or termination of this Purchase Order, You shall promptly return to Springs or at Springs request destroy (with such destruction certified in writing by You) all Confidential Information, including any copies thereof. Without prejudice to the rights and remedies otherwise available to disclosing party, Springs shall be entitled to seek equitable relief by way of injunction without the necessity of posting any bond if You or any of its representatives breach or threaten to breach any of the provisions of this Agreement.

Any knowledge or information, which You shall have disclosed or may hereafter disclose to Springs and which in any way relates to the goods/services purchased under this Purchase Order (except to the extent deemed to be Springs' Confidential Information as set forth herein), shall not be deemed to be confidential or proprietary and shall be acquired by Springs free from any restrictions (other than a claim for infringement) as part of the consideration for this Purchase Order and notwithstanding any copyright or other notice thereon, Springs shall have the right to use, copy, modify and disclose the same as it sees fit.

You shall not announce, present, advertise or publicize without Springs' prior written consent, in any medium, the fact that You are a supplier of products or services to Springs or the existence of this Agreement or Purchase Order. Neither You or your subcontracts, suppliers or agents shall without prior written consent (i) use Springs' name, products, photographs, logos, trademarks, or other identifying information in any such medium; (ii) use (except to communicate with Springs) any internet domain names, metatags or electronic mail address containing the name Springs or the names of any product or service for which Springs owns; or (iii) provide a link to any domain name or internet address registered to Springs or any of its affiliates.

**Intellectual Property Rights Ownership.** Springs shall own all rights, title and interest in any and all intellectual property rights developed, discovered, designed, made or created in the performance or otherwise arising from this Agreement and Purchase Order, and You will execute any assignments or other documents needed for Springs to perfect such rights. This clause does not affect the ownership of pre-existing intellectual property which shall continue to belong to its rightful owner, provided that the You will ensure that Springs has the royalty free right to use the same for the purposes of this Agreement.

**Non-Solicitation.** During the performance of each Purchase Order, and for a period of one hundred eighty (180) days thereafter, You agree not to solicit, or assist any other party to solicit, for employment or consulting any employee of or consultant to Springs (except in the case of a response to a nontargeted, general solicitation).

**Non-Circumvention.** You acknowledge the value of Springs' relationship with its customers ("Springs' Customer"). During the performance of each Purchase Order, and for a period of twelve (12) months thereafter, You agree not to (a) compete with Springs for Springs' Customer business, or (b) circumvent Springs directly or indirectly in any effort to gain fees, commissions, remunerations or other consideration to the detriment of Springs. This non-circumvention provision extends to any transaction with any actual or potential Springs Customer.

**Assignment.** You must have Springs' written consent before You may assign this Agreement or any Purchase Order.

**Severability of Provisions.** The terms of this Agreement are severable and the invalidity of any term of this Agreement shall not affect the validity of any other term.

**Entire Agreement.** This Agreement and any applicable Purchase Order represents the entire agreement between the parties with respect to such Purchase Order. No other term or condition on any acceptance or confirmation document shall apply unless both parties agree in a writing signed by both parties that expressly references this Agreement or the applicable Purchase Order and clearly states that such term or condition shall apply to this Agreement or the applicable Purchase Order.

**English Language.** Both Parties confirm that this Agreement shall be governed, interpreted and construed in the English language hereof, regardless of any translations that may be made into any other language.