

1. Applicability. The purchase order (“**Purchase Order**”) together with these terms and conditions, which are attached or hyperlinked from the Purchase Order or otherwise provided to Seller, collectively constitute a binding agreement (the “**Agreement**”) between the Buyer (“**Goulston**”) and the Seller (as each is shown on the face of the Purchase Order), and apply to all purchases of products (“**Products**”) and services (“**Services**”) and together with the Products, “**Ordered Items**”) by Goulston from Seller, as such Ordered Items may be described on the face of the Purchase Order. Forecasts, to the extent any are provided by Goulston, are strictly non-binding, do not constitute any commitment by Goulston to purchase, and may not be relied upon by Supplier. In the event of any conflict between the Agreement and any other document or instrument submitted by Seller, the Agreement will govern. Seller must reject Purchase Orders within three days of receipt or the Agreement will be deemed accepted by Seller. **Goulston expressly limits acceptance of the Agreement to the terms stated herein.** Any additional, different, or inconsistent terms or conditions contained in any form, acknowledgment, acceptance, or confirmation used by Seller in connection with the implementation of the Purchase Order are hereby objected to and rejected by Goulston, however such proposal does not operate as a rejection of the Agreement (unless such variances are in the terms of the description, quantity, price or delivery schedule of the Ordered Items), but will be deemed a material alteration thereof, and the Agreement shall be deemed accepted by the Seller without any additional, different or inconsistent terms. As an exception to the foregoing, any written agreement between Goulston and Seller in effect at the time Goulston submits a Purchase Order that contains terms and conditions that are inconsistent with these terms and conditions will have priority over these terms and conditions.

2. Shipment and Delivery; Alternate Source.

(a) All Products must be (i) suitably packed or otherwise prepared by Seller for shipment to prevent damage, to obtain the lowest transportation and insurance rates, and to meet the carrier's requirements, and (ii) shipped in accordance with the instructions on the Purchase Order.

(b) Title to and all risk of loss or damage to Products remains with Seller until receipt by Goulston of conforming Products at the required destination; shipping terms are Goulston's required destination FCA per INCOTERMS 2010. Time is of the essence. Deliveries are to be made only in the quantities and at the times specified in the Purchase Order. Goulston may cancel any order if delivery is not made on time or if late notice is given.

(c) Goulston may reject any delivery or cancel all or any part of any Purchase Order if Seller fails to make delivery in conformity with the terms and conditions of the Agreement including, without limitation, any failure of Products to conform to the specifications (“**Specifications**”) and performance criteria published by Seller for Products. Goulston's acceptance of any non-conforming delivery shall not constitute a waiver of its right to reject future deliveries. If Seller (i) fails to supply Products, (ii) fails to supply Products meeting Specifications, or (iii) fails to meet Goulston's delivery schedules and delivery requirements, and Seller does not provide a comparable quality substitute (for which substitution Seller must assume any expense and price differential), then Goulston may, in its sole discretion, purchase Products from another supplier as an alternate source as Seller, in its sole discretion, deems necessary. In such event, Seller shall reimburse Goulston for any additional costs and expenses incurred by Goulston in purchasing Products from such other supplier as an alternate source.

3. Prices; Payment. Prices for all Ordered Items will be as stated in the Purchase Order, and include all applicable federal, state, provincial and local taxes; provided, however, that in no event will the price charged by Seller under the Agreement be less favorable than the lowest price charged by Seller to other customers purchasing similar or lesser quantities of the Ordered Items. Payment terms for all Ordered Items will be as stated in the Purchase Order.

4. Inspection/Testing. Payment for the Ordered Items does not constitute acceptance thereof. Goulston has the right to inspect all Ordered Items and to reject any or all Ordered Items that are in Goulston's judgment defective or nonconforming. Goulston may request, at its option, repair or replacement of rejected Ordered Items or a refund of the purchase price. Ordered Items supplied in excess of the quantities specified in the Purchase Order may be returned to Seller at Seller's expense.

5. Confidentiality and Proprietary Rights. Any specifications, drawings, sketches, models, samples, tools, technical information, methods, processes, techniques, shop practices, plans, know-how, trade secrets, or data, written, oral or otherwise (collectively, the “**Information**”) furnished to Seller under, or in contemplation of, the Agreement remain Goulston's property. All copies of such Information, in written, graphic or other tangible form, must be immediately returned to Goulston upon its request. The Information shall be kept confidential by Seller, shall be used only in the fulfillment of Purchase Orders, or in performing Seller's obligations under the Agreement, and may be disclosed or used for other purposes only upon such terms as may be agreed upon between Goulston and Seller in writing. Seller hereby grants to Goulston a perpetual, transferable and royalty-free license to use, sell, offer for sale, import, distribute, advertise, market and promote Products (including through packaging, repackaging, labeling, bundling and documentation) that incorporate in whole or in part the patent, copyright, trademark, trade dress or other intellectual property rights of Seller. Seller hereby assigns to Goulston, and not otherwise to make use of, any invention, improvement or discovery (whether or not patentable), conceived or reduced to practice in the performance of the Agreement by Seller or any employee of Seller or any other person working under Seller's direction, and such assignment shall be considered as additional consideration for the making of the Agreement. Upon request of Goulston or completion of performance of the Agreement, Seller shall deliver to Goulston any and all information relating to any such invention, improvement or discovery, and shall cause employees or others subject to Seller's instruction to sign as appropriate all documents necessary to enable Goulston to file applications for patents throughout the world and to obtain title thereto.

6. Warranties. Seller represents and warrants that: (a) all Ordered Items and Seller's performance under the Agreement will (i) conform to all applicable drawings, specifications, descriptions, and samples furnished to or supplied by the Seller, (ii) be free from defects in design, material, and workmanship, and (iii) be in compliance with all then applicable laws (whether foreign or domestic), including without limitation laws related to the health and safety of consumers and the protection of the environment and child labor laws; (b) the Ordered Items (including packaging, labeling and documentation) do not infringe upon or violate any intellectual property, right of privacy or other proprietary or property right of any third party; (c) it has the right to grant Goulston a license to any software embedded or incorporated into any Ordered Items; (d) all Services will be performed in a workmanlike manner; and (e) it has complied and shall comply with all laws applicable to its performance under the Agreement.

7. Termination. Goulston may terminate the Agreement in whole or in part upon written notice to Seller. If Seller defaults in the performance of its obligations under the Agreement and is unable to cure the default within 10 days following notice of the default, Goulston may terminate the Agreement upon written notice. Upon the termination of the Agreement, in whole or in part, by Goulston for any reason, Seller shall immediately (a) stop all work under the terminated Agreement, (b) cause any of its suppliers or subcontractors to cease work, and (c) preserve and protect work in progress and materials on hand purchased for or committed to under the Agreement in its own and in its suppliers' or subcontractors' plants pending Goulston's instructions.

8. Indemnity. Seller shall defend, indemnify and hold harmless Goulston, its affiliates, officers, employees and agents against all claims, damages, liability, losses, fines, or judgments, including costs, attorney fees, and other expenses, relating to or arising out of (a) Seller's breach of the Agreement; (b) death or injuries to persons or property due to Seller's breach of the Agreement; (c) the failure of the Products or Seller's performance of the Services to comply with the requirements of the Agreement, or (d) infringement of a third party's intellectual property rights by any Products (including packaging, labeling and documentation) or Services.

9. Catastrophic Defects. Seller shall, within 30 days of Goulston's demand, indemnify Goulston or its designated third-party service provider for all costs and expenses of parts, labor, administrative costs, shipping costs, replacement product costs and other expenses (including reasonable attorneys' fees and expenses) related to or arising from a Catastrophic Defect, Product recall or Product field fix. "**Catastrophic Defect**" will be deemed to occur when: (a) the representations and warranties set forth in Section 6 are breached with respect to (i) 3% or more of the Products shipped within any three-month period, or (ii) 1% of the Products shipped within the first six months of the initial agreement between Seller and Goulston; (b) the return and exchange rate of the Product sold by Seller to Goulston is in excess of the category average for the Product, as determined by Goulston's records; (c) a single or single group of defects in a Product (any manufacturing defect that affects the Product cosmetically or functionally) is determined by Goulston to impact more than 10% of such Products; (d) a Product (including any service parts, replacement parts, spare parts, assemblies and tools required for servicing Products) recall is necessary in the reasonable opinion of Goulston or Seller; or (e) the Product should be pulled from the marketplace to comply with applicable law as determined by Goulston in its sole discretion (including but not limited to, cases of a voluntary or mandatory consumer product safety recall); provided, however, that no Catastrophic Defect will be deemed to occur if the applicable defect results solely from an act or omission of Goulston.

10. Insurance. Seller shall at all times maintain commercial general liability insurance, including products and completed operations liability, with limits and in the form as requested by Goulston, and workers' compensation insurance as required by law. At Goulston's request, Seller shall have Goulston added as an additional insured on the commercial general liability insurance policy and shall furnish Goulston with a certificate of insurance and applicable insurance policy endorsements evidencing such insurance.

11. Limitation of Liability. In no event shall Goulston's aggregate liability for any loss or damage arising out of or in connection with or resulting from the Agreement exceed the price allocable to the Products or Services or unit thereof which gives rise to the claim. Goulston shall not be liable for interest charges or penalties of any description. No lawsuit may be brought against Goulston on account of any breach by Goulston unless the suit is instituted within two years of the date of the breach.

12. Governing Law. The Agreement and all rights and duties under the Agreement are governed by, and construed in accordance with, the laws of the State of North Carolina. The United Nations Convention on Contracts for the International Sale of Goods does not apply. Goulston shall have all rights and remedies granted it by the Uniform Commercial Code, without exclusion or limitation. Goulston's rights under the Agreement are in addition to any other legal or equitable remedies it may have against Seller. The parties hereby irrevocably consent to exclusive jurisdiction of, and venue in, of the courts located within Union County, North Carolina.

13. General. The invalidity of any provision contained in the Agreement will not affect the validity of any other provision. Goulston's failure to insist on performance of any term or condition or to exercise any right or privilege shall not waive any such term, condition, right or privilege. The Agreement may be amended or modified only by a written instrument separately signed by Goulston or Seller. Seller shall not subcontract or assign its rights and obligations under the Agreement, in whole or in part, without Goulston's consent. The provisions of Sections 1, and 5-13 survive termination of the Agreement.