

Procurement Terms and Conditions

Zuuk International, Inc. ("Zuuk") requires that the supplier or provider ("Seller") specified in a Zuuk purchase order or work request ("Order") supply Zuuk with the goods and/or services ("Provisions") specified in the Order and the Seller will provide the Goods and/or Services on the following terms and conditions:



Seller acknowledges that Buyer is purchasing Provisions for use in a tiered supply chain, or under other circumstances in which timely manufacture and delivery is required, and that Buyer is relying upon Seller's agreement to timely manufacture and/or delivery to Buyer the Provisions at the price, in the quantities and on the other terms and conditions stated in the Order to allow Buyer to fulfill its contract to sell goods which incorporate the Provisions to Buyer's Customer. In the event Seller requests that Buyer resource the Provisions from Seller to a new supplier, Buyer may in its sole and absolute discretion refuse such request for any reason, including a refusal of such request at the direction of Buyer's Customer, in which case Seller must fully and faithfully perform its obligations under the Order for the remaining term of the Order. In the event Buyer elects to resource the Provisions to a new supplier in accordance with Seller's request, Seller shall (i) cooperate in all respects with the transition to the new supplier including, allowing Buyer, the new supplier and/or their respective agents to inspect the then current production processes being utilized at Seller's facility, granting to the new supplier a non-exclusive, royalty-free license to use any technology reasonably necessary (in Buyer's sole determination) for the new supplier to manufacture and/or sell Provisions to Buyer, and the removal from Seller's facilities of all Buyer-owned tooling (including manuals, logs and the like); (ii) reimburse Buyer for any costs that it may incur as a result of the resourcing; (iii) pay to Buyer the present value of any increased price for the Provisions; and (iv) fully comply with the provisions of the Order relating to the transition of supply.

Terms of the Order; Offer/Acceptance

The Order is an offer by Buyer to purchase the Provisions from Seller on the terms of the Order. The Order is effective, and a binding contract is formed, when Seller accepts the offer prior to the expiration of two (2) weeks following Buyer's delivery of the Order to Seller. Buyer shall have the right to rescind the Order at anytime prior to Seller's acceptance. Seller shall be deemed to have accepted the Order upon the earliest of: (a) Seller commencing work or performance with respect to any part of the Order; (b) Seller delivering written acceptance of the Order to Buyer; or (c) any conduct by Seller that fairly recognizes the existence of a contract for the purchase and sale of the Provisions. The Order is limited to and conditional upon Seller's acceptance of the terms of the Order. The Order does not constitute an acceptance of any offer, quote or proposal made by Seller, and Seller acknowledges and agrees that: (i) a request for quotation or similar document issued by Buyer is not an offer by Buyer. In the event Seller accepts Buyer's Order other than by written acceptance pursuant to this agreement, Buyer may cancel the Order in its sole and absolute discretion, without payment of any kind to Seller, if Seller refuses to provide written acceptance of the Order within two (2) business days following Buyer's written or oral request for such confirmation. Any additional or different terms proposed by Seller, whether in Seller's quotation, acknowledgement, invoice, terms & conditions or otherwise, are unacceptable to and expressly rejected by Buyer, and are hereby waived by Seller and are not part of the Order. However, any proposed modification of the terms of the Order by Seller shall not operate as a rejection of the Order if Seller commences work or is otherwise deemed to have accepted Buyer's offer as provided above, in which case the Order shall be deemed accepted by Seller without any such proposed modifications. Any reference in the Order to Seller's quote or other prior communication shall not imply acceptance of any term, condition or instruction but is solely to incorporate the description or specifications of the Provisions, but only to the extent that such description or specifications are not in conflict with the description and specifications in the Order. If the Order is found to be an acceptance of any prior offer or proposal by Seller, such acceptance shall be limited to and conditional upon Seller's acceptance of the terms of the Order.

The following documents are incorporated into and shall be part of the Order: (i) any executed supply agreement between Buyer and Seller (ii) any written agreement between Buyer and Seller which provides therein that it shall be part of the Order.

In the event of any ambiguities, express conflicts or discrepancies in the specification, drawings or other documents which are part of the Order, Seller shall immediately submit the matter to Buyer for its determination and the parties shall resolve the matter in mutual agreement.

Delivery

Seller shall manufacture and ship Buyer's requirements for the Provisions in such quantities and at such time as identified by Buyer in the order. No charge shall be allowed for packing, shipment or handling unless otherwise stated in the Order. All Provisions received in excess of the quantities in the Order shall be subject to return for credit at Seller's expense.

Time and quantities are of the essence under the Order. Seller agrees to 100% on-time delivery of the quantities and at the times specified by Buyer as contained on the Order. Buyer is not obligated to accept early deliveries, late deliveries, partial deliveries, excess deliveries or any other delivery that is not a 100% on-time delivery ("*Nonconforming Deliveries*"). If Buyer elects in its sole and absolute

discretion to accept one or more Nonconforming Deliveries, such acceptance shall not constitute a waiver of Buyer's right to reject any other shipment which does not conform to the Order.

Buyer may change the delivery rate of previously scheduled shipments or direct temporary suspension of scheduled shipments from time to time in its sole and absolute discretion, neither of which actions shall entitle Seller to modify Seller compensation, price or other terms or conditions set forth in the Order. If, as the result of any of Seller's acts or omissions, Seller shall fail to timely meet Buyer's delivery requirements and more expeditious methods of transportation for the Provisions are available, Seller shall ship the Provisions by a transportation method that will meet Buyer's requirement or, if that is not possible, by the most expeditious transportation method possible. In either such case, Seller shall be solely responsible for any incremental costs due to the more expeditious transportation method.

Seller warrants full and unrestricted title to Buyer for the Provisions delivered by Seller, free and clear of any and all liens, restrictions, reservations, security interests or encumbrances. If Seller is responsible for set-up or installation under the Order, Seller shall bear all of the necessary and incidental costs, including, without limitation travel and living expenses and provision of tools and the like to accomplish Seller's obligations under the Order.

Seller shall: (i) properly pack, mark, and ship Provisions according to the requirements of Buyer, the involved carriers and the country of destination; (ii) route all shipments according to Buyer's instructions; (iii) label or tag each package according to Buyer's instructions; (iv) provide papers with each shipment showing the Order number, amendment or release number, Buyer's part number, Seller's part number (where applicable), number of pieces in the shipment, number of containers in the shipment, Seller's name and number, and the bill of lading number; and (v) promptly forward the original bill of lading or other shipment receipts for each shipment according to Buyer's instructions and carrier requirements. Buyer's count shall be accepted as final and conclusive on shipments not accompanied by Seller's itemized packing list.

Seller shall promptly provide Buyer with the following information: (i) a list of all substances or materials in Provisions; (ii) the amount of all substances or materials, and (iii) information concerning any changes in or additions to the substances or materials. Before Provisions are shipped, Seller shall give Buyer sufficient warning in writing (including appropriate labels on all Provisions, containers, and packing, including, without limitation disposal and recycling instructions, material safety data sheets and certificates of analysis) of any hazardous or restricted material that is a substance or material or is otherwise part of the Provisions, together with any special handling instructions that are needed to advise carriers, Buyer, and their respective employees or others handling the Provisions how to take appropriate measures while handling, transporting, processing, using or disposing of the Provisions, containers, and packing to best prevent bodily injury or property damage. Seller shall comply with all national, state, provincial, and local laws and regulations pertaining to product content and warning labels.

Price; Payment Terms

The purchase price for the Provisions is set forth in the Order and is in U.S. Dollars unless otherwise stated. Unless otherwise stated in the Order, the purchase price: (i) is a firm fixed price for the duration of the Order and not subject to increase for any reason, including but not limited to increased raw material costs, increased labor or other manufacturing costs, increased development costs, currency fluctuations; (ii) is inclusive of all federal, state, provincial, value added and local taxes and any duties applicable to provision of the Provisions; and (iii) is inclusive of all storage, handling, packaging and all other expenses and charges of Seller. Seller shall separately invoice Buyer for any sales, value added, or similar turnover taxes or charges that Seller is required by law to pay or collect from Buyer.

Invoices shall be issued by Seller to Buyer no earlier than delivery of the Provisions to Buyer. Seller shall, at its sole expense, comply with Buyer's instructions and then current policies with respect to the form, content and method for submission of invoices. Seller shall promptly submit correct and complete invoices or other agreed upon billing communications with appropriate supporting documentation and other information reasonably required by Buyer after delivery of Provisions.

Unless otherwise stated in the Order, Buyer shall pay invoices for Provisions which are properly presented and not subject to dispute according to the terms stated in the Order. If no terms are stated in the Order, Buyer shall pay net sixty (60) days after the later of (i) the Provisions being received and accepted at Buyer's facility, or (ii) Buyer's receipt of Seller's invoice. Buyer may withhold payment until a correct and complete invoice or other required information is received and verified. If the payment date is not a business day, payment shall be due the next business day thereafter. Payment shall be deemed to occur upon transmittal by Buyer of any paper draft or Buyer's wire transfer of payment into the account of Seller.

Seller acknowledges and agrees that Seller's financial condition, insolvency and/or failure to timely pay its suppliers or other creditors may create a disruption in the supply chain. In the event Buyer elects in its sole and absolute discretion to pay any of Seller's obligations in order to avoid or cure a disruption in the flow of Provisions to Buyer, Buyer shall have the right to withhold from and setoff against any funds due to Seller from Buyer the aggregate amount paid in respect of Seller's obligations and, if such right of setoff is insufficient for Buyer to immediately recover all such amounts, Seller shall pay to Buyer the remaining balance within ten (10) days of Buyer's payment.

The Provisions purchased under the Order shall be assumed as exempt from sales taxes. The tax identification number and/or other exemption information shall be provided by Buyer upon the request of the Seller. Payment for Provisions shall not constitute acceptance of nonconforming Provisions, nor shall it limit or affect any rights or remedies of Buyer.

Quality

Seller shall conform to all quality control and other standards and inspection systems as established or directed by Buyer and its customer for Provisions. Seller shall also participate in Buyer's and/or Buyer's Customer's supplier quality and development programs as directed by Buyer.

Seller is responsible for the performance and quality of all of its suppliers from which Seller obtains Provisions, including suppliers that Buyer and/or Buyer's Customer has directed, recommended, requested, suggested or otherwise identified to Seller as a supplier from which Seller should obtain Provisions. Seller shall maintain adequate development, validation, testing, launch and on-going supervision to assure that all Provisions sold to Buyer conform to all specifications, standards, prints, samples and descriptions set forth in the Order, including as to performance, fit, form, function, and appearance. In the event that Seller ships any Provisions which are nonconforming or breach the warranties herein, Buyer may require Seller, at Seller's sole cost and expense, to inspect the Provisions in such a manner (including the use of a third party inspector or sorter) as Buyer determines will insure that all future Provisions will conform to the Order. Any inspection or testing, the lack thereof, or lack of response shall in no way release Seller from any quality or warranty obligations under the Order.

Buyer reserves the right at any reasonable time to inspect, witness, review or otherwise audit Seller's quality assurance and quality control procedures. Buyer shall have access to all parts of Seller's facilities and/or Seller's supplier's facilities engaged in the manufacturing or processing of Provisions in order to inspect, witness, review or otherwise audit the quality control processes being utilized at such facilities. Seller shall furnish to Buyer the status of engineering, material procurement, production and shipping information upon request.

If defective or nonconforming Provisions are rejected by Buyer, Seller shall in Buyer's sole and absolute discretion, without prejudice to any other right or remedy of Buyer: (a) accept the return, at Seller's sole expense, of the Provisions and refund to Buyer the full invoice price plus all transportation and other charges associated with the nonconforming Provisions; (b) replace the non-conforming Provisions with conforming Provisions, with all associated costs and expenses, other than the original invoice and shipping prices, being borne by Seller; or (c) at Seller's sole expense, correct at any time prior to shipment from Buyer's facility Provisions that fail to meet the requirements of the Order.

Promptly upon learning of defective or nonconforming Provisions, Seller shall develop, document and implement corrective actions designed to ensure that all Provisions are produced and/or supplied in accordance with all standards of Buyer and Buyer's Customer. Seller shall immediately notify Buyer in writing when it becomes aware of any raw material, component, design or defect in the Provisions that is nonconforming or may be or become harmful to persons or property.

Warranty

In addition to any other express or implied warranties provided by law or otherwise, Seller warrants to Buyer and/or Buyer's Customer that the Provisions when delivered to Buyer shall: (i) be new and conform in all respects to the Order and to all specifications, drawings, samples and other descriptions furnished by Buyer or otherwise obtained by Seller; (ii) be free from all defects in design, workmanship and/or materials and be of highest quality and workmanship; (iii) be selected, designed, manufactured, assembled and packaged by Seller based upon Buyer's stated use and be fit and sufficient for the purposes intended by Buyer as evidenced in the Order and in the drawings and specifications referred to herein; (iv) conform to all applicable laws in countries where the Provisions are to be sold (v) for all Provisions which consist of services, Seller further warrants that its work shall be performed in a professional and workmanlike manner with an adequate number of craftsman highly skilled at such crafts, consistent with all standards and specifications agreed to with Buyer and otherwise consistent with the highest industry standards.

All warranties of Seller extend to future performance of the Provisions and are not modified, waived or discharged by delivery, inspection, tests, acceptance and/or payment. Buyer's approval of any design, drawing, material, process or specifications shall not relieve Seller of these warranties. Seller waives any right to notice of breach. The warranties in this Section are intended to and shall provide Buyer with protection from any and all warranty claims brought against Buyer by Buyer's Customer and their respective customers, successors and assigns, relating in any manner to the Provisions.

The warranty period shall run to the latest of the following: (i) two (2) years from the date Buyer accepts the Provisions; (ii) the warranty period provided by applicable law; (iii) the warranty period offered by the Original Equipment Manufacturer (OEM).

At Buyer's request, Seller shall fully participate in any root cause investigation or analysis conducted by Buyer and/or Buyer's Customer relating in any manner to the failure of the Provisions and provide all information requested by Buyer concerning the Provisions. In the

event that the root cause analysis of a warranty failure is inconclusive but implicates the Provisions, the extent of Seller's liability shall be based upon a good faith allocation by Buyer of the responsibility for the warranty failure.

Remedies; Indemnification Obligation

The rights and remedies reserved to Buyer in each Order shall be cumulative with and in addition to all other or legal or equitable remedies available to Buyer. Seller is liable for all damages incurred by Buyer as a result of Seller's (i) breach of any representation or warranty set forth in the Order; (ii) failure to timely deliver conforming or otherwise non-defective Provisions; (iii) failure to comply with the shipping and/or delivery or other requirements of Buyer; and/or (iv) failure to otherwise comply with the Order, even if Seller has cured the breach. Buyer's damages include reasonable attorneys' fees and other professional fees, settlements and judgments incurred by Buyer and other costs associated with Buyer's administrative time, labor and materials.

To the fullest extent permitted by law, (i) Seller hereby assumes the entire, sole responsibility for any injury to person, including death, or damage to property of any kind or nature caused by, resulting from or in connection with the furnishing of Provisions by Seller or anyone acting on its behalf; (ii) Buyer shall not be responsible for any injury to person (including death) or damage to any property resulting from Seller's possession, use, misuse or failure of any equipment, tooling or other property of Buyer furnished to Seller, and the use of any such property by Seller shall constitute acceptance by Seller of all responsibility for any claims for such injury or damage, and (iii) Seller shall defend, indemnify and hold harmless Buyer, Buyer's Customer and the end-users of the products sold by Buyer or the end users of the products which incorporate the Provisions and all of their respective agents, customers, invitees, subsidiaries, affiliates, successors and assigns, against all damages, losses, claims, liabilities and expenses (including reasonable attorneys' and other professional fees, settlements and judgments) arising out of or resulting from any defective Provisions, or from any negligent or wrongful act or omission of Seller or Seller's agents, employees or subcontractors, or any breach or failure by Seller to comply with any of Seller's representations or other terms and conditions of the Order (including any part of these Procurement Terms and Conditions.)

If Seller performs any work on Buyer's premises or utilizes the property of Buyer, whether on or off Buyer's premises: (i) Seller shall examine the premises to determine whether they are safe for the requested work and shall advise Buyer promptly of any situation it believes to be unsafe; (ii) Seller's employees, contractors, and agents shall comply with all laws and regulations that apply to the premises and if so requested, must leave Buyer's premises at Buyer's sole and absolute discretion; (iii) Seller's employees, contractors, and agents shall not possess, use, sell, transfer or be under the influence of alcohol or unauthorized, illegal, or controlled drugs or substances on the premises; and (iv) to the fullest extent permitted by law, Seller shall indemnify and hold Buyer and its agents, successors and assigns, harmless from and against any liability, claims, demands or expenses (including reasonable attorneys' and other professional fees, settlements and judgments) for damages to the property of or personal injuries (including death) to Buyer, its employees or agents, or any other person or entity to the extent arising from or in connection with Seller's work on Buyer's premises or Seller's use of Buyer's property.

Seller's obligations under this Section to defend and indemnify shall apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise and, to the maximum extent permitted by applicable law, Seller's indemnification obligations shall apply even as to losses caused in whole or in part by an indemnified party's negligence, except to the extent that losses resulted solely and directly from the gross negligence or willful misconduct of such indemnified party. Buyer has the right to be represented by and actively participate through its own counsel in the defense and resolution of any indemnification matters, at Seller's expense. The indemnification obligations of Seller set forth in this Agreement, including this Section, are independent of and in addition to any insurance and warranty obligations of Seller. The indemnification obligation under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the benefit of Seller under Workers' Compensation Acts, or laws governing occupational diseases, disability benefits or other employee benefits.

Changes

Buyer reserves the right at any time, by written notice to Seller, to make changes, or to require Seller to make changes, to drawings, specifications, sub-suppliers, samples or descriptions of Provisions. Buyer also reserves the right to otherwise change the scope of the work covered by the Order, including work with respect to such matters as inspection, testing or quality control. Seller shall promptly make any such requested change.

In order for Seller to request a reasonable difference in price or time for performance as a result of a change, Seller must notify Buyer of its request in writing within ten (10) days after receiving notice of the change. Buyer can request additional documentation from Seller relating to any change in specifications, price or time for performance. After receiving all requested documentation, Buyer, in consultation with Seller, may equitably adjust the price or time for performance. If Seller does not provide timely notice to Buyer that a requested change may result in a difference in price or time for performance, Buyer's requested change shall not affect the price or time for performance.

Seller shall not make any change relating to Provisions, including without limitation, in the Provisions' contents, design, specifications, processing, packing, marking, shipping, price or date or place of delivery, except at Buyer's written instruction or with Buyer's prior written approval.

Service Materials

At Buyer's request, Seller shall make service literature and other materials relation to Provisions available at no additional charge.

Customs Regulations

For Provisions imported into the United States, Canada, Mexico, or any other country or territory, Seller shall comply with all applicable recommendations or requirements of the governing agency of that country or territory.

Excusable Delay

Any delay or failure of either party to perform its obligations shall be excused if and to the extent that the party is unable to perform due to events or occurrences beyond its reasonable control and without its fault or negligence, such as: acts of God; restrictions, prohibitions, priorities or allocations imposed or actions taken by a governmental authority; embargoes; fires; explosions; natural disasters; riots; wars; sabotage; or court injunction or order (collectively "***Excusable Delay***"). However, in no event shall Seller's performance be excused by: (i) the change in cost or availability of raw materials, components or services based on market conditions, supplier actions or contract disputes; (ii) Seller's financial distress; (iii) Seller's bankruptcy or insolvency of one or more of Seller's suppliers; or (iv) any labor strike or other labor disruption applicable to Seller or to any of its subcontractors or suppliers. Seller, at its expense, shall use its best efforts to mitigate any adverse effects or costs to Buyer due to any actual or potential Excusable Delay, including: (i) the implementation of a production contingency plan; and (ii) upon Buyer's express written authorization, increasing Seller's inventory of Provisions to a level sufficient to sustain deliveries during such Excusable delay.

Seller shall immediately give written notice to Buyer of any event or occurrence that threatens to delay or actually delays Seller's performance under the Order. Such notice shall include all relevant information with respect to such threat, including the possible duration and impact of a delay. During any delay or failure to perform by Seller, Buyer may at its option and at Seller's expense: (i) purchase Provisions from other sources and reduce its schedules to Seller by such quantities, without liability to Seller; (ii) require Seller to deliver to Buyer at Buyer's expense all finished Provisions, work in process and parts and materials produced or acquired for work under the Order; or (iii) have Seller provide Provisions from other sources in quantities and at a time requested by Buyer and at the price set forth in the Order.

Termination

Buyer may terminate the Order for Cause, without liability to Seller, which shall be effective upon delivery of written notice or upon such other date specified by Buyer in writing. "***Cause***" for termination includes the following actions: (i) Seller breaches any representation, warranty or other term of the Order; (ii) Seller repudiates, breaches or threatens to breach any of the terms of the Order; (iii) Seller fails to deliver, or threatens not to deliver, Provisions in accordance with the Order; (iv) Seller fails to meet applicable quality requirements so as to endanger timely and proper performance of the Order; (v) Seller makes an assignment for the benefit of creditors; (vi) proceedings in bankruptcy or insolvency are instituted by or against Seller; (vii) Seller requests accommodations from Buyer, financial or otherwise, in order for Seller to meet its obligations under the Order; (viii) Seller enters or offers to enter into a transaction or series of transactions that would cause a sale of a material portion of the assets used by Seller for the production and/or provision of Provisions to Buyer; or (x) at any time in Buyer's sole judgment Seller's financial or other condition or progress on the Order shall be such as to endanger timely performance. Buyer also may, at its option and in its sole discretion, immediately terminate all or any part of the Order for convenience at any time and for any reason.

Upon termination by Buyer, Buyer shall pay only the following without duplication: (i) the Order price for all finished non-defective Provisions in the Order for which Seller has not been paid; (ii) Seller's reasonable actual cost of merchantable and useable work-in-process and the parts and materials transferred to Buyer; (iii) Seller's reasonable actual costs of settling claims regarding its obligations to its subcontractors required under the Order, to the extent directly caused by the termination, but limited to the amount of the firm quantities of Provisions and raw materials/components specified in Orders issued by Buyer and then currently outstanding; (iv) Seller's reasonable actual cost of carrying out its obligations. Buyer may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim.

BUYER SHALL HAVE NO LIABILITY OR OBLIGATION FOR, AND SHALL NOT BE REQUIRED TO PAY SELLER DIRECTLY OR INDIRECTLY IN RESPECT OF, CLAIMS BY SELLER OR SELLER'S SUBCONTRACTORS, FOR LOSS OF ANTICIPATED PROFIT, FAILURE TO REALIZE ANTICIPATED PRODUCTION VOLUMES, REVENUES OR SAVINGS, UNABSORBED OVERHEAD, INTEREST ON CLAIMS, PRODUCT DEVELOPMENT AND ENGINEERING COSTS, TOOLING, FACILITIES AND EQUIPMENT REARRANGEMENT COSTS OR RENTAL, UNAMORTIZED CAPITAL OR DEPRECIATION COSTS, OR GENERAL ADMINISTRATIVE BURDEN CHARGES RESULTING FROM OR RELATED TO THE TERMINATION OR EXPIRATION OF THE ORDER, EXCEPT AS OTHERWISE EXPRESSLY AGREED IN A SEPARATE ORDER ISSUED BY BUYER.

Transition of Supply

In connection with the expiration, cancellation or termination of the Order by Buyer, in whole or in part, for any or no Cause or Buyer's election to change to an alternate supplier of the Provisions (including a Buyer-owned or -operated facility) whether in response to

Seller's request or otherwise, (i) Seller shall give Buyer its full and prompt cooperation in transitioning from Seller to Buyer's new supplier the responsibility for providing and delivering Provisions to Buyer.

Insurance

Seller shall maintain and require its subcontractors to maintain, the following insurance coverages: i) comprehensive general liability insurance ii) comprehensive automobile liability insurance and iii) business interruption insurance, iv) workers compensation and employer's liability insurance covering all employees engaged in the performance of this Order for claims arising under any applicable workers' compensation, occupation disease or health and safety laws and or regulations and v) such other insurance coverage as may be requested from time to time by Buyer in its sole discretion. In each case Seller's insurance coverage will name Buyer and its affiliates (as applicable) as loss payee(s) and/or "additional insured(s)" and the coverage will be in such amounts sufficient to cover obligations set forth herein or in such amounts specifically set forth by Buyer.

Seller hereby waives all mechanics' liens and claims and agrees that none shall be filed or maintained against Buyer's premises on account of any Provisions and shall cause all its subcontractors, materialmen and suppliers (and subcontractors of such parties) to provide similar waivers and agreements in form satisfactory to Buyer.

Seller shall furnish to Buyer a certificate showing full compliance with the requirements set forth in this Section or certified copies of all insurance policies within five (5) days of Buyer's written request. The certificate shall provide that Buyer shall receive thirty (30) days prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. The existence of insurance shall not release Seller of its obligations or liabilities under the Order.

Audit; Facility Inspections

Upon reasonable notice to Seller, Buyer or a third party designated by Buyer may review the financial condition of Seller and its affiliates relating to Seller's performance under the Order. Seller shall, and shall cause its affiliates to, fully cooperate in any such review and shall promptly provide copies of or access to requested documents, including without limitation financial records and statements, forecasts, business plans, banking contacts and loan documents, and shall make its financial managers available for discussions during reasonable business hours. Buyer and its third-party designee(s), if any, shall keep confidential any nonpublic information about Seller or its affiliates obtained in a financial review and use such information only for purposes of the review, except as needed to enforce the Order.

Buyer's Property

Buyer shall have the right to enter Seller's premises, or the premises of any of Seller's suppliers, contractors or agents in possession of Buyer's Property, to inspect Buyer's Property and Seller's records regarding Buyer's Property. Seller agrees neither to create nor permit any liens on Buyer's Property and Seller agrees to immediately sign any UCC-1 forms or other documents reasonably required by Buyer to perfect Buyer's rights granted herein. Seller grants to Buyer a limited and irrevocable power of attorney, coupled with an interest, to execute and record on Seller's behalf any notice financing statements with respect to Buyer's Property that Buyer determines are reasonably necessary to reflect and protect Buyer's interest in Buyer's Property.

Seller shall assume all risk of death or injury to persons or damage to property arising from its use of Buyer's Property. **TO THE EXTENT PERMITTED BY LAW, BUYER SHALL HAVE NO LIABILITY TO SELLER OR ANYONE CLAIMING BY OR THROUGH SELLER FOR ANY INCIDENTAL OR CONSEQUENTIAL OR OTHER DAMAGES OF ANY KIND WHATSOEVER RELATING TO BUYER'S PROPERTY SUPPLIED BY BUYER. BUYER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO SUCH BUYER'S PROPERTY, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND SELLER WAIVES, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, ALL CLAIMS OF NEGLIGENCE AND STRICT LIABILITY.**

Seller's Property

"Seller's Property" shall mean all capital equipment, buildings, materials, machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns, blueprints, designs, specifications, drawings, photographic negatives and positives, art work copy layout and all other records or items that are not Buyer's Property and that are necessary for the production of Provisions under the Order.

Intellectual Property

"Intellectual Property" shall mean and include patents, copyrights, trademarks, trade names, trade dress, trade secrets, copyrights, know-how, concepts, ideas, discoveries, inventions (whether or not patentable), processes, developments, designs, suggestions, materials, improvements, works of authorship, artwork, software, documentation, intellectual property/proprietary rights, rights in other tangible and intangible assets of a proprietary nature, domain names, company names, and the like. **"Intellectual Property Rights"** means all forms of Intellectual Property protection or proprietary rights available throughout the world, including, without limitation, utility patents, design patents, patent applications, design registrations, utility models, industrial designs, copyrights, trademarks, trade dress, trade secrets, and rights in domain names.

Seller warrants that the Provisions and the sale and/or use thereof (before or after incorporation into products during manufacture) are original to Seller and do not and shall not infringe any third-party's Intellectual Property Rights.

Seller agrees: (i) to defend, hold harmless and indemnify Buyer and its owners, shareholders, affiliates, officers, directors, members, managers, partners, employees, attorneys and agents and any of their respective successors and assigns against any suit, claim or action for actual or alleged direct or contributory infringement of or inducement to infringe or violate any third party's Intellectual Property or Intellectual Property Rights and against any resulting damages or expenses (including attorney's and other professional fees and expenses, settlements and judgments) arising out of or relating to the manufacture, sale or use of the Provisions.

Proprietary Information; Record Retention

Any information or knowledge which Buyer may have disclosed or may hereafter disclose to Seller in connection with the Order and any and all services to be rendered and/or work to be performed pursuant to the Order is and shall be deemed confidential and proprietary information of Buyer. Seller shall not, without authorization in writing from Buyer, use (except as necessary to the performance of the Order), communicate or disclose such confidential and proprietary information of Buyer or use such information for any purpose other than to perform its obligations under the Order. Seller agrees to safeguard the confidential and proprietary information of Buyer by using reasonable efforts, consistent with those used in the protection of its own proprietary information of a similar nature, to prevent its disclosure to third parties. Seller agrees to cause its employees, "contractors", officers, directors, agents and representatives to be bound by and comply with the foregoing restrictions regarding the use or disclosure of such confidential and proprietary information. Seller further agrees not to assert any claims with respect to any technical information which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the Provisions. These restrictions and obligations shall not apply to information that: (a) is already publicly known at the time of its disclosure by Buyer; (b) after disclosure by Buyer becomes publicly known through no fault of Seller; or (c) Seller can establish by written documentation was properly in its possession prior to disclosure by Buyer or was independently developed by Seller without use of or reference to any of Buyer's information.

All documents containing proprietary information relating to the Provisions produced or acquired by Seller in connection with this Agreement shall belong to Buyer. All drawings, know-how, and confidential information supplied to Seller by Buyer and all rights therein shall remain the property of Buyer and shall be kept confidential by Seller. Seller shall, within ten (10) business days of Buyer's request or the expiration or termination of the Order, return all confidential and proprietary information (including all copies, notes and/or extracts thereof).

Seller shall keep all relevant documents, data and other written information relating in any manner to the Provisions for at least five (5) years following: (a) in the case of the Provisions, the later of the last delivery of the Provisions or the date of the final payment to Seller under the Purchase Order. Buyer may make copies of these materials at any time prior to their destruction.

Setoff

In addition to any right of setoff or recoupment permitted by law, all amounts due Seller shall be considered net of indebtedness or obligations of Seller to Buyer. Buyer may set off against or recoup from any amounts due or to become due to Seller, any amounts due to Buyer however and whenever arising. If an obligation of Seller to Buyer is disputed, contingent or unliquidated, Buyer may defer payment of all or a portion of the amount due to Seller until such obligation is resolved.

Social Responsibility and Protection of the Environment

Seller shall comply with all laws and regulations regarding environmental protection and to work on reducing the adverse effects of its activities on human beings and the environment. Seller warrants that neither it nor any of its subcontractors shall utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of Provisions or provision of services under this contract.

Compliance With Laws; Ethics

Seller warrants that Seller, and all Provisions furnished by Seller under the Order shall comply with all applicable local, state, Federal and all other applicable laws, ordinances and regulations, including those concerned with labor, environment and safety, as those laws, ordinances and regulations are amended from time to time. Seller shall provide all permits, certificates, licenses, insurance approvals and inspections which may be required for the performance of the Order.

Seller also warrants that all Provisions furnished by Seller in performance of the Order shall comply fully with the Occupational Safety and Health Act of 1970 (as amended from time to time) and State plans approved under this Act; the Toxic Substances Control Act (as amended from time to time); and the regulations promulgated under both Acts, to the extent applicable to such equipment and in addition to any other rights or remedies which Buyer may have. Seller also warrants all Provisions fully comply with all federal and state environmental regulations. Seller shall promptly notify Buyer in the event that any environmental factors associated with Seller's products, services and/or processes may adversely impact Buyer or its employees, either directly or indirectly.

Buyer serves from time to time as a contractor and/or a subcontractor concerning contracts to supply to the United States government. In those cases, Seller shall comply with the federal laws, regulations, and rules applicable to subcontractors of government contractors, including those relating to equal employment opportunity and affirmative action in the employment of minorities, women, the handicapped, and certain veterans, and contracting with women-owned or small and disadvantaged business concerns.

Seller and/or any agent or representative of Seller, may not offer or give any gratuities, in the form of entertainment, gifts, or otherwise to any officer or employee of Buyer with a view toward securing any Order or securing favorable treatment with respect to the awarding, amending or making of any determinations with respect to the performance of the Order or future Orders.

Seller shall notify Buyer of any change in laws applicable to the Provisions and must identify the impact of such changes on Seller's performance and Buyer's receipt of such Provisions. Seller shall promptly develop and, with Buyer's approval, implement with respect to the affected Provisions any modifications that are necessary as a result of such change in law. Seller shall be responsible for any fines or penalties imposed on Seller or Buyer resulting from any failure by Seller or its agents, subcontractors or third part suppliers to comply with applicable laws or respond in a timely manner to changes in such laws.

Seller shall indemnify and hold Buyer harmless from and against any liability claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's noncompliance with this Section.

Buyer's Limited Liability to Seller

Buyer's sole liability under the Order (including its termination, expiration or cancellation) is to pay for the Provisions in accordance with this agreement and to pay the specific termination related amounts described herein. **IN NO EVENT SHALL BUYER BE LIABLE TO SELLER FOR ANY DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO COMPENSATORY, INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL (AS OPPOSED TO COMPENSATORY) DAMAGES, LOST PROFITS OR OTHER DAMAGES DIRECTLY OR INDIRECTLY RELATED TO PROFITS, OR LIABILITIES OF ANY KIND IN CONNECTION WITH THE ORDER, WHETHER FOR BREACH OF CONTRACT, TORT LIABILITY, LATE PAYMENT, PROPERTY DAMAGE, PERSONAL INJURY, ILLNESS, OR DEATH OR OTHERWISE.**

Assignment

Seller may not, without Buyer's prior written consent: (i) assign or delegate (including without limitation by subcontract) its obligations under the Order, or (ii) enter or offer to enter into a transaction that includes a sale of a substantial portion of its assets used for the production of the Provisions for Buyer or a merger, sale or exchange of stock or other equity interests that would result in a change of control of Seller. In the event of any approved assignment (including without limitation subcontract), sale or delegation authorized by Buyer, Seller shall retain all responsibility for Provisions, including all related warranties and claims, unless otherwise expressly agreed in writing by Buyer.

No Publicity

Seller shall not advertise, publish or disclose to any third party (other than to Seller's professional advisors on a confidential and need-to-know basis) in any manner the fact that Seller has contracted to furnish Buyer the Provisions covered by the Order or any terms of the Order (including prices), or use any trademarks or trade names of Buyer in any press release, advertising or promotional materials, without first obtaining Buyer's written consent.

Relationship of the Parties

Seller and Buyer are independent contracting parties and nothing in the Order shall make either party the employee, agent or legal representative of the other for any purpose. The Order shall not grant either party any authority to assume or to create any obligation on behalf of or in the name of the other. Seller shall be solely responsible for all employment and income taxes, insurance premiums, charges and other expenses it incurs in connection with its performance of the Order, except as expressly provided in a written agreement signed by Buyer. All employees and agents of Seller or its respective contractors are employees or agents solely of Seller or such contractors, and not of Buyer, and are not entitled to employee benefits or other rights accorded to Buyer's employees. Buyer is not responsible for any obligation with respect to employees or agents of Seller or its contractors.

Conflict of Interest

Seller represents and warrants that its performance of the Order shall not in any way conflict with any continuing interests or obligations of Seller or its employees or contractors. Seller further warrants that while the Order is in effect, Seller and those of its employees and contractors participating in the performance of the Order shall refrain from any activities which could reasonably be expected to present a conflict of interest with respect to Seller's relationship with Buyer or its performance of the Order.

Governing Law; Dispute Resolution

Buyer and Seller shall first endeavor to resolve through good faith negotiations any dispute arising under the Order. If a dispute with financial claims in excess of \$5,000 (USD) cannot be resolved through good faith negotiations within a reasonable time, either party may request non-binding mediation by a mediator approved by both parties. If mediation fails to resolve the dispute within thirty (30)

days after the first mediation session, all disputes arising out of or relating to the Order shall be resolved through binding arbitration. The arbitration proceedings shall be conducted before a panel of three arbitrators (one appointed by each party and the neutral appointed by the other two arbitrators) in accordance with the Commercial Rules of the American Arbitration Association including application of the Optional Rules for Emergency Measures of Protection and shall be governed by the *United States Arbitration Act* and this Section. The arbitration shall be conducted in the city and state, district or province of Buyer's primary place of business, and the language of the arbitration shall be English. The arbitrators shall issue a written opinion setting forth the basis for the arbitrator's decision, which may include an award of legal fees and costs. While arbitration proceedings are pending, the parties shall continue to perform their obligations under the Contract without setoff for any matters being contested in the arbitration proceedings.

Venue for confirmation of or any challenge to the Arbitration Award shall be at Buyer's option, in accordance with either the internal laws of the State of South Carolina and the United States of America, or the laws of the state, county, province or district in the country in which the Order was issued by Buyer. If either party brings an arbitration or other proceeding against the other as a result of any alleged breach or failure by the other party to fulfill or perform any covenants or obligations under the Order, the prevailing party obtaining final judgment in such proceeding shall be entitled to receive from the non-prevailing party the prevailing party's reasonable attorneys' fees incurred by reason of such action or proceeding and all costs associated with such action or proceeding incurred by the prevailing party, including the costs of preparation and investigation.

No Waiver

Buyer's failure to insist on the performance by Seller of any term or failure to exercise any right or remedy reserved in the Order, or Buyer's waiver of any breach or default hereunder by Seller shall not, thereafter, waive any other terms, conditions, rights, remedies, breaches or defaults, whether of the same or a similar type or not.

Severability

If any provision of the Order, or portion of any provision, is declared or found to be unenforceable, the balance of the Order or such provision shall be interpreted and enforced to the greatest extent possible as if the unenforceable provision or portion had never been a part hereof.

Survival

The obligations of Seller to Buyer survive termination of the Order, except as otherwise provided in the Order.

Interpretation

No provision may be construed against Buyer as the drafting party. Section headings are for convenience or reference only, and do not affect the meaning of the Order.

Entire Agreement; Modifications

The Order is the entire agreement and encompasses these terms whether stated or implied. The Order between the parties respecting the Provisions supersedes any prior agreements, negotiations or understandings of the parties respecting the Provisions, whether written or oral, except that a signed prior agreement (such as an award letter, statement of work, or non-disclosure agreement) will continue to apply to the extent not directly in conflict with the Order. Should there be a conflict between the content of the Order and these Terms and Conditions; the Order takes precedence only for the section containing the conflict.

The Order may only be modified by a written amendment executed by authorized representatives of each party. Seller shall be responsible for reviewing Buyer's Terms and Conditions periodically as such are revised from time to time.

Seller represents and warrants that there is no outstanding litigation, arbitrated matter or other dispute to which Seller is a party which, if decided unfavorably to Seller, would reasonably be expected to have a material adverse effect on Buyer's or Seller's ability to fulfill its respective obligations under this Agreement.