

PURCHASE ORDER TERMS AND CONDITIONS

1. ACCEPTANCE

This purchase order is an offer by JPW Industries, Inc. or its affiliates named on the face of the purchase order (the "Buyer") for the purchase of goods (the "Goods") from the party to whom the purchase order is addressed (the "Seller") in accordance with and subject to these purchase order terms and conditions (the "Terms", and together with the purchase order and the terms and conditions on the face of the purchase order, if any, the "Order"). Unless otherwise agreed to in writing, these Terms apply to all purchases made by Buyer from Seller hereunder. These Terms constitute Buyer's offer and may be accepted by Seller only in accordance with the terms hereof. Seller's acceptance of these Terms and the Order shall occur either through commencement of performance or acknowledgment of the Order. This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order, unless a separate overriding written contract has been entered into and signed by the parties. The Order expressly limits Seller's acceptance to the terms of the Order. These Terms expressly exclude any of Seller's terms and conditions of sale or any other document issued by Seller in connection with this Order.

2. CHANGES IN DESIGN

No changes in any form in the design, dimensions, specifications, terms, or conditions of this Order may be made without prior written consent of Buyer. Any expense incurred because of unauthorized deviations will be charged back to Seller.

3. PATENTS / TRADEMARKS

Seller shall save harmless and indemnify Buyer from and against any claims and demands for infringements of patents and trademarks covering the whole or any portion of the merchandise specified on this order.

4. MARKINGS

The model number, stock number, and serial number of the Goods must be clearly and legibly marked on the outside of each carton and/or crate and also on the packing list and invoice.

5. SHIPMENTS; INSPECTION

Early shipments will not be accepted unless Buyer has given prior approval. All shipments originated in Taiwan must be inspected by Buyer's Taiwan office before shipping and must be accompanied by a copy of the Certificate of Acceptance/Inspection signed by a representative of Buyer. All shipments originated in China must be inspected by Buyer's Chinese office before shipping and must be accompanied by a copy of the Certificate of Acceptance/Inspection signed by a representative of Buyer. Buyer reserves the right to inspect the Goods on or after the delivery date. Buyer, at its sole option, may reject all or any portion of the Goods if it determines the Goods are defective or nonconforming. If Buyer requires replacement of the Goods, Seller shall promptly replace the nonconforming Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Seller the difference between the cost thereof and the contract price plus any incidental or consequential damages. Any inspection or other action by Buyer under this Section shall not affect Seller's obligations under the Order, and Buyer shall have the right to further inspection after Seller takes remedial action.

6. DELAYS IN SHIPMENTS

Seller shall advise Buyer immediately of any shortage or delay in shipment. Buyer reserves the right to cancel any items not shipped within the time specified or if Buyer has reasonable grounds to believe such items will not so be shipped. Unless such delay is due to reasons beyond Seller's control, Buyer will charge Seller for any loss by reason of such cancellation. Buyer may, at its option, accept delayed deliveries from Seller without thereby waiving its right to demand strict compliance with the delivery schedule set forth on this order with respect to all other deliveries.

7. PRICING

Seller must notify Buyer at least ninety (90) days in advance of any proposed changes in prices for the Goods, but any such notice does not automatically constitute Buyer's acceptance of such new prices.

8. TAXES

Unless specified otherwise on the face of the Order, Seller shall be solely responsible for and pay, all federal, state, and local taxes, including, but not limited to, value added tax, goods and services tax, sales, use or consumption tax. No sales or use tax shall be added when a valid tax exemption is indicated on the face of this Order by Buyer.

9. WARRANTY

Seller expressly warrants that all items shipped under this Order are of merchantable quality, fit, and sufficient for the purpose intended, free from defects, including latent defects, and that such warranty shall survive delivery, acceptance, and payment, and shall extend to Buyer's customers whenever such defects are involved. Defective items or items not as specified, represented, or shown, shall be credited, replaced, repaired, or refunded as designated by Buyer. Buyer shall retain such items for inspection by Seller for not more than three (3) months following date claim is made to Seller. At Seller's request, such items shall be returned to Seller. All costs incurred, including transportation, shall be credited or refunded to Buyer.

10. LIABILITY

Seller agrees to protect, indemnify, save harmless, and defend Buyer and its affiliates and representatives from all liability and expense for loss, damage, or injury to persons or property that may be asserted against or suffered by Buyer, its customers or employees, by reason of any real or alleged condition or defect in the Goods covered by this Order.

11. LEGAL SITUS

This Order and the agreements herein contained shall be construed as a contract having been executed in the State of Tennessee, subjected to, and governed by the laws of the State of Tennessee. This terms and conditions of this Order shall not be altered, superseded, or supplemented by terms or conditions differing from or supplements to those herein contained by provisions in any printed form submitted by the Seller, unless

the same shall be agreed to in writing by Buyer expressly stating intent to be bound thereby. Any statement of such intent appearing as a printed part of any such form submitted by the Seller and signed by Buyer, shall not constitute express statement of intent.

12. NON-WAIVER

Failure of Buyer to insist upon strict performance of any terms and conditions of this Order shall not be deemed a waiver of any rights or remedies that Buyer shall have and shall not be deemed a waiver of any subsequent default of this Order. Shipping or receiving of any Goods under this Order shall not be deemed, or be a waiver of any right for any failure by Seller to comply with any of the provisions of this Order. The remedies herein reserved shall be cumulative and additional to any other or further remedies provided in law or in equity. No waiver of a breach of any provision of the contract shall constitute a waiver of any breach, or of such provision.

13. FORCE MAJEURE

Neither party shall be liable to the other for any delay or failure in performing its obligations under the Order to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, terrorist acts, riots, strike, or embargoes. Seller's economic hardship or changes in market conditions are not considered Force Majeure Events. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under the Order. If a Force Majeure Event prevents Seller from performance for a continuous period of more than fifteen (15) business days, Buyer may terminate this Order immediately by giving written notice to Seller.

14. RELATIONSHIP OF THE PARTIES

Seller is an independent contractor of Buyer. Nothing contained herein shall be construed as creating any agency, partnership, employment, or fiduciary relationship. Neither party shall have authority to bind the other party in any manner whatsoever.

15. CONFIDENTIAL INFORMATION

All non-public, confidential or proprietary information of Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic, or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Buyer in writing. Upon Buyer's request, Seller shall promptly return or destroy, at Buyer's election, all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) rightfully and legally known to the Seller at the time of disclosure; or (c) rightfully and legally obtained by the Seller on a non-confidential basis from a third party, in each case, as documented with written records.

16. INSURANCE

Seller shall, at its own expense, maintain, and carry insurance in full force and effect with financially sound and reputable insurers, which includes: (a) commercial general liability (including product liability) in a sum no less than \$1,000,000 for each occurrence and \$2,000,000 in the aggregate; (b) workers' compensation insurance in compliance with the applicable laws of each jurisdiction affected by the Order; (c) if the Seller will use or provide for use of motor vehicles in providing and/or performing the Order, automobile (motor vehicle) insurance covering all liabilities for personal injury and property damage arising from the use of such vehicles, with limits of no less than \$1,000,000. Upon Buyer's request, Seller shall provide Buyer with a certificate of insurance evidencing the coverage specified in this Order.

17. COMPLIANCE WITH LAW

Seller warrants and represents to Buyer that it is in compliance with and shall remain in compliance during performance of this Order and ensure that its employees, agents, contractors and subcontractors (the "Personnel") comply with all applicable laws, regulations and ordinances, including, without limitation, the Occupational Safety and Health Act, Toxic Substances Control Act, Foreign Corrupt Practices Act and any laws relating to basic working conditions and human rights, slavery or human trafficking. Seller shall not discriminate on the basis of race, color, sex, national origin, religion, age, disability, veteran status, and any other basis covered by applicable law. Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits required by law to carry out its obligations under the Order. Seller shall comply with all export and import laws of all countries involved in the sale of Goods under this Order. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. If Seller fails to comply with the laws, orders, rules, ordinances and regulations and as a result Buyer is fined, Seller agrees to pay the fine and costs incident thereto or reimburse Buyer for payment.

18. SEVERABILITY

If any term or provision of this Order is found invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term of this Order or invalidate or render unenforceable such term in any other jurisdiction.

Seller Name: _____

Confirmed by: _____

P.O. Number: _____

Date: _____