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PURCHASE ORDER TERMS AND CONDITIONS

Anthony Inc., a Delaware corporation dba Anthony International (“**Anthony**”), will issue its form purchase order (“P.O.”) for all goods, materials and supplies to be purchased from its suppliers (each individually and collectively referred to herein as “Supplier”) via telefacsimile, e-mail and/or U.S. mail. These terms and conditions set forth herein (the “Terms and Conditions”) and the applicable P.O.(s) comprise the entire agreement (“Agreement”) between Anthony and Supplier and apply to each P.O. issued by Anthony, except as may be modified in writing by Anthony from time-to-time. In the event of any conflict or inconsistency between these Terms and Conditions and the terms and conditions of Supplier’s acknowledgment, if any, the provisions of these Terms and Conditions shall be controlling.

1. **Acceptance.** Unless otherwise agreed by the parties, any Anthony P.O., including any applicable drawings and specifications, constitutes an offer by Anthony to purchase from Supplier the goods and/or work specified in such P.O., subject to this Agreement, at the prices stated in the P.O. Acceptance of a P.O. by Supplier will be indicated by the Supplier by: (i) shipment of any part of the goods or work set forth on the face of the P.O.; (ii) written acknowledgment of the P.O., or (ii) any other definite act or expression of acceptance. Prior to acceptance hereof, a P.O. shall remain revocable in whole or in part by Anthony for any reason whatsoever. Any P.O. is expressly conditioned upon Supplier’s acceptance of such P.O. in its entirety without additions, modifications or exceptions and no acceptance which varies the terms of the P.O. or purposes additional terms shall be effective.
2. **Shipment.** Prices set forth in a P.O. include all charges for packaging and transportation to the destination designated by Anthony. Supplier agrees to properly prepare all goods for shipment so as to prevent damage to comply with Anthony’s shipping instructions and to ship in accordance with the carrier’s requirements in a manner to secure lowest transportation costs. The risk of loss, deterioration, or damage to the goods or services ordered, as well as the obligation to insure, shall be borne by Supplier until such goods or services are delivered to and accepted by Anthony at its designated destination.
3. **Delivery.** Time shall be of the essence hereunder. Supplier expressly recognizes that Anthony is relying on timely performance by Supplier and that Anthony will schedule operations and incur liabilities to third parties in reliance on such timely performance and may sustain substantial losses by reason of any failure of timely performance.
4. **Payment.** Except in the case of consigned goods, Supplier’s invoices shall be mailed to Anthony (Attn: Accounts Payable) when goods are shipped. For consigned goods, Supplier shall mail invoices to Anthony when such consigned goods are actually purchased by Anthony. Anthony shall have 90 days in which to make payment under such invoices, unless otherwise agreed upon by Anthony and Supplier. This payment period shall commence on the later of: (i) the date of actual receipt of the goods by Anthony in accordance with the delivery schedules set forth on the P.O.; (ii) for service P.O.’s, completion of the work specified on the P.O.; or (iii) the date of receipt by Anthony of a Supplier invoice for the goods received or work performed under a P.O., provided that such goods are or such work is in accordance with the specifications set forth in the P.O.
5. **Title.** Title shall transfer from Supplier to Anthony when the goods specified on the face of the applicable P.O. are delivered to Anthony’s facility or alternate destination specified by Anthony.
6. **Warranty.** Supplier warrants for a minimum of ten (10) years that all goods, articles, materials, and work supplied by Supplier will strictly conform to the designs, specifications, drawings, samples or other descriptions furnished or adopted by Anthony and will be merchantable, of good material and workmanship, free from defects and fit for their intended use. If such goods, articles, materials, and work are components of a product system and in the event Supplier is unable to deliver the full system as agreed, Anthony may use another component(s) to complete the system without impacting or negating the warranty on such goods, articles, materials, and work. The warranty shall include costs to repair or replace defective goods, articles, materials, and work, including related costs for service (such as teardown, inspection, re-work, re-assembly, etc.), associated rework or retrofit of impacted Anthony end products, freight, reasonable travel and expenses (T&E) for service providers, and any cost to secure substitute goods, articles, materials, and work to serve end customers. Such warranties, together with all other warranties of Supplier, shall inure to the benefit of Anthony, its successors, assigns and customers. The foregoing warranties shall be in addition to any other warranties and rights (i) expressed or implied under the Uniform Commercial Code adopted by the State of California or other similar applicable law or (ii) expressly made by Supplier.
7. **Inspection.** All goods, articles, materials, and work supplied by Supplier are subject to Anthony’s final inspection and acceptance on delivery. If rejected, such goods, articles, materials, and work will be held for disposal at Supplier’s risk and expense. No inspection, acceptance of any part or all of such goods, articles, materials, and work or payment shall relieve Supplier from responsibility for furnishing goods, articles, materials, and work conforming to the requirements of the applicable P.O., nor

prejudice any claim, right or privilege Anthony may have for defective or unsatisfactory goods, articles, materials, and work, delays in delivery or other non-compliance with the applicable P.O.

8. Changes. Anthony shall have the right at any time before completion of a P.O. to make changes in quantities, drawings, designs, specifications, place or time of delivery and methods of shipment.
9. Prices. Supplier agrees that the per unit price and total price set forth on a P.O. are fixed and firm and, except as may be otherwise specifically provided thereon, include all applicable federal, state and local taxes now or hereafter imposed on Anthony in connection with the P.O.
10. Patents and Trademarks. Supplier warrants that the sale or use of its goods, articles, materials, and work supplied to Anthony under a P.O. shall not infringe any United States or foreign copyright, patent or trademark. Supplier agrees to indemnify, defend and hold harmless Anthony, its successors, assigns and customers against and in respect of all claims, actions, demands, losses, expenses, liabilities and damages including reasonable counsel fees resulting from any actual or claimed trademark, patent or copyright infringement or any litigation based thereon with respect to any of the goods covered by the P.O.
11. Proprietary and Confidential Information. From time-to-time and in order that Supplier may fulfill its obligations under a P.O., Anthony may provide to Supplier certain proprietary and confidential information, including but not limited to designs, drawings, specifications, schedules, and the like, and information pertaining to its manufacturing processes and techniques and other information which Anthony deems proprietary and confidential ("**Confidential Information**"). Supplier agrees to hold all Confidential Information as strictly confidential and agrees not to transmit or reproduce any of the Confidential Information or disclose any Confidential Information to any third party without Anthony's prior written consent. Supplier agrees to limit access to such Confidential Information to only those employees of Supplier as may be necessary for the performance of work required to be done under a P.O. All Confidential Information provided to Supplier shall remain the property of Anthony and Supplier shall take adequate precautions to insure its safekeeping and upon completion or termination of a P.O. or upon request of Anthony, all Confidential Information shall be timely returned to Anthony.
12. Indemnity. Supplier agrees to indemnify, defend and hold harmless Anthony, and its respective affiliates, assigns, employees, officers, directors, agents and representatives (each, an "Indemnified Party"), from and against any and all suits, claims, actions, proceedings, costs, losses, expenses (including fines and penalties, settlement awards and attorneys' fees), liabilities and damages (including, without limitation, damages relating to injury or death of any person or destruction of any property, real or personal, whether as a result of a third party claim ("Third Party Claim") or direct claim, (each, a "Claim") arising out of, connected with or resulting in whole or in part from (a) any acts, omissions or negligence of Supplier, its subcontractors or other personnel under or in connection with the Agreement; (b) any breach by Supplier, its subcontractors or other personnel of any of the terms, covenants, representations, warranties or other provisions contained in the Agreement; (c) any assertion by any person or entity that the manufacture or supply by Supplier or purchase, use or other application of all or any portion of the procured goods and/or services infringes or violates any intellectual property right of such person or entity; and (d) any and all lien notices, lien claims, liens, encumbrances, security interests, or other lien rights of any kind filed by any party including, without limitation, any subcontractor, which in whole or in part are based on any work, goods, services, material or equipment provided or to be provided under the Agreement.

An Indemnified Party shall give notice to Supplier of any claim for which it is seeking indemnity under this Section 12, but failure to give such notice shall not relieve Supplier of any liability hereunder (except to the extent that the Supplier has suffered actual prejudice thereby).

13. Insurance. Supplier represents that it has in place, and covenants to maintain during the term of this Agreement, insurance at its own cost and expense as follows, in each case providing that Anthony and its affiliates shall be considered additional insureds thereunder:
  - (i) Commercial General Liability and/or products liability insurance written on an occurrence basis with minimum limits of five million dollars (\$5,000,000.00) per occurrence; and
  - (ii) Workers' Compensation insurance at the statutory limit for the jurisdiction in which Supplier operates.

The foregoing coverages shall be maintained with insurers licensed and admitted in the state(s) where Supplier conducts business and that have an A.M. Best rating of A VIII or better. Unless otherwise prohibited by law, all policies maintained by Supplier pursuant to the Agreement shall provide that Anthony and its affiliates will be considered an additional insured thereunder and be primary and non-contributing with any insurance carried by Anthony and its affiliates. At the time of the execution of this Agreement and prior to the performance of any work hereunder, Supplier shall provide certificate(s) of insurance to Anthony evidencing that the coverage required under this Agreement is maintained and in force, and such insurance certificates shall be subject to Anthony's approval. Supplier shall also provide renewal certificates to Anthony at the time of each required policy renewal throughout the term of this Agreement. In addition, Supplier shall provide at least thirty (30) days written notice to Anthony

prior to cancellation, non-renewal or material change to any of the policies providing such coverage. The foregoing insurance requirements do not limit Supplier's liability as set forth elsewhere in the Agreement.

14. Compliance with Laws and Regulations. Supplier shall perform all work hereunder in accordance with applicable federal and state laws, statutes, rules, regulations or orders (including applicable foreign laws, statutes, rules, regulations or orders). In particular, Supplier shall comply with the Fair Labor Standards Act, Foreign Corrupt Practices Act and UK Anti-Bribery Act.

Supplier shall comply with Anthony's Supplier Code of Conduct and Conflict Minerals Policy, copies of which may be found here: [http://www.anthonymintl.com/en/AboutUs/Policy\\_Statement.aspx](http://www.anthonymintl.com/en/AboutUs/Policy_Statement.aspx).

Supplier shall deliver all materials, work, products, goods, etc. to Anthony in compliance with (RoHS) Directive 2002/95/EC.

15. Audit. Anthony or its designee shall, for a period of three (3) years after the issuance of the applicable P.O., at Supplier's expense, have the right to inspect Supplier's books and records and all other documents and material in the possession of or under the control of Supplier, with respect to the subject matter of the P.O. to verify Supplier's payment obligations and Supplier's compliance with the terms and conditions of the P.O. and Agreement, on reasonable notice to Supplier. Supplier shall retain all records, including, but not limited to, invoices, purchase orders, sales orders, components used, financial statements, books of account, all costs of production, and any such other records related to the production, manufacture, storage, shipment, sale, pricing, and cost related to the goods, work and services purchased .

Upon reasonable notice, Anthony or its designee may inspect the facilities of Supplier, at such times as reasonably requested by Anthony, to ensure compliance with the terms and conditions of the Agreement.

16. Termination. In addition to any other rights or remedies which it may have, Anthony may cancel any P.O. or any part thereof because of Supplier's failure to comply with any of the applicable Terms and Conditions (including, without limitation, for late delivery of goods, late performance of services, or delivery of goods which are defective or which do not conform with the applicable P.O.(s)). Furthermore, Anthony may cancel the supply of the goods and/or the performance of the services or any part thereof without cause at its sole option by giving written notice thereof to Supplier. Upon such cancellation without cause, Anthony shall reimburse Supplier for its actual direct costs incurred in respect of the applicable P.O.(s) prior to the effective date of notice of cancellation together with any actual direct costs resulting from such cancellation, less the reasonable recoverable value in respect of any goods or partially completed goods which Supplier could reasonably obtain from a third party. In no event shall Anthony be responsible or liable for Supplier's loss of actual or anticipated profits or loss of business nor for any other special, indirect or consequential damage arising out of or relating to such applicable P.O.(s) or from the performance, suspension, termination or breach thereof, whether based upon principles of equity, contract, tort (including, but not limited to, negligence) or otherwise.

17. Assignment. Supplier may not assign any part of this Agreement, including the applicable P.O.(s), or any right or obligation thereunder, to any third party without the prior written consent of Anthony. Anthony may assign its rights and obligations under this Agreement, including any applicable P.O.(s), in full or in part to any other party.

18. General.

- a. No failure or delay by Anthony in exercising any of its rights hereunder shall be construed as a waiver of such right or any of Anthony's other rights hereunder.
- b. Anthony may deduct any amount owing from Supplier to Anthony as a setoff against any amount due or owing to Supplier.
- c. The laws of the State of California, except for its laws of conflicts, shall govern the validity of these Terms and Conditions, the construction of its terms and the interpretation of the rights and duties of the parties under the Agreement or otherwise and any dispute related thereto.
- d. If any one or more of the provisions contained in these Terms and Conditions shall for any reason be held to be invalid, illegal or unenforceable, such provision shall not affect the enforceability or validity of the remaining terms and provisions of these Terms and Conditions, and these Terms and Conditions shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.
- e. Supplier agrees to pay to Anthony without demand all reasonable attorneys fees, costs and other expenses (including, without limitation, such fees, costs and expenses of litigation and appeals) incurred by Anthony in connection with enforcing any term or provision herein.
- f. This Agreement supersedes all prior offers, negotiations and agreements between the parties relating to the subject matter on the face of the P.O.