

All-State Industries, Inc.

Purchase Order Terms and Conditions

1. Acceptance

These terms and conditions govern all purchase orders issued by All-State Industries, Inc. (ASI) to the Supplier identified on the purchase order. Fulfillment of order by Supplier constitutes acceptance of these terms and conditions and may only be overridden by the written signature of ASI's Director of Purchasing or Chief Financial Officer. These terms and conditions and ASI's purchase orders constitute the entire agreement between ASI and Supplier.

2. Assignment/Delegation/Subcontracting

Supplier may not assign or transfer ASI's Purchase order or this agreement without prior written consent of ASI.

3. Compliance with laws

Supplier warrants in providing goods/services to ASI under this agreement or purchase order that supplier, its employees, agents and sub-contractors will comply with all applicable state, federal and local laws and regulations. Supplier agrees to apply for all licenses and permits and to pay any fees necessary to provide the goods/services to ASI. Supplier agrees to pay all taxes owed by Supplier when due.

4. Confidentiality

Supplier warrants that in fulfillment of the purchase order and/or this agreement that it may obtain confidential information regarding ASI or its customers. Supplier agrees to take all reasonable precautions against disclosure of this confidential information.

5. Default

Supplier shall be in default under this agreement due to its (1) insolvency or bankruptcy, (2) subjection of Supplier's property to levy, seizure or assignment for the benefit of creditors, or (3) failure to make available or deliver goods/services in the time and manner specified by purchase order.

6. Routing/Delivery

Seller shall use carrier indicated on purchase order. If no carrier is specified, seller shall contact ASI when merchandise is available for shipment. Carrier will then be determined. Time is of the essence in fulfillment of ASI purchase order under this agreement.

7. Environmental/Health/Safety Rules

Supplier warrants all products provided to ASI comply with applicable US Government and international environmental health, safety and product safety regulations/laws, including those relating to use of chemicals or other materials in products. Supplier will obtain similar certifications from all of its subcontractors. Supplier will comply with all information requests from ASI regarding this provision and provide country of origin certification on all invoices and other documents for all products/services provided to ASI.

8. Force Majeure

Supplier and ASI may delay delivery or acceptance due to causes beyond their reasonable control, including acts of God, military action, etc. The excused party shall use all reasonable efforts under the circumstances to remove such causes for non-compliance and proceed.

9. Indemnity

Supplier shall indemnify, defend and hold ASI harmless from and against all liabilities, losses, costs or damages resulting from (1) any claim that Supplier provided goods/services are defective, deficient or non-conforming in any manner, (2) any claim that the goods/services fail to comply with any law or regulation, (3) Supplier's negligence or willful misconduct in supplying the goods/services, (4) any action, suit claim or proceeding by any person, firm, governmental agency or business arising out of (1) through (3) above. Indemnity shall extend to legal fees, costs and all other expenses.

10. Inspection

ASI, upon receiving possession of goods/services provided under this agreement shall have a reasonable opportunity to inspect the goods/services to determine if the goods/services conform to the requirements of the purchase order or this agreement. If ASI determines, in good faith, that the goods or services are non-conforming, ASI may return the goods/services to the supplier at the supplier's expense.

11. Insurance

Supplier will provide ASI with a certificate of insurance outlining Supplier's coverage for product liability and workers' compensation, including the Supplier's broad form endorsement listing ASI as an additional insured. This certificate must reflect 30 days advance notice of cancellation. Supplier will provide insurance coverage for ASI tooling in possession of Supplier and assumes all responsibility for loss while Supplier holds tools.

12. Jurisdiction/Governing Laws

All transactions between ASI and supplier will be governed by Iowa law.

13. Payment

Payment is due based on the terms specified on ASI purchase order from the later of delivery of acceptable product to the location specified on ASI's purchase order or receipt of a valid invoice.

14. Price/Price Warranty

Seller must notify ASI of any price discrepancies in writing within five (5) days of issuance of order. Failure to notify constitutes seller acceptance. Supplier warrants prices to ASI for goods/services are not less favorable than those currently provided to others buying similar items/quantities.

15. Remedies of Default

If Supplier is in default under this agreement by failing to substantially perform any material provision, term or condition of these terms or an ASI purchase order, ASI may, in addition to any and all rights under the law, withhold or offset amounts due to the Supplier.

16. Risk of Loss

Supplier assumes all risks and liabilities resulting from the use of any product supplied under these terms and conditions.

17. Severability

If any provisions of this agreement are found to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid. 18 Title Regardless of the manner of shipment, Supplier agrees to deliver product specified to locations specified on the purchase order at the Supplier's own risk. Supplier bears the risk of loss, damage and destruction until accepted by ASI.

19. Waiver of Contractual Right

The failure of ASI to enforce any provision of this agreement shall not be construed as a waiver or limitations of ASI's rights under this agreement.

20. Warranty

Supplier warrants that (1) goods/services supplied shall be free of substantive defects in material and workmanship, (2) goods/services are of the grade and quality specified on the purchase order or other document(s), (3) goods/services are free from defects in design, and conform to applicable specifications, descriptions or drawings provided by ASI, (4) the goods/services are merchantable and suitable for the purpose intended, (5) Supplier has good and marketable titles to goods/services conveyed free from any encumbrances, and (6) All materials supplied are "DRC Conflict Free" under section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

21. MSDS Sheets

Supplier will provide ASI with current material safety data sheets (MSDS) and comply with all environmental and regulatory requirements.

22. Import/Export

Supplier agrees to comply with all import and export laws of the United States and of any country having jurisdiction over sales to ASI.

23. Tooling

All tooling, jigs or fixtures purchases on this order are and shall remain at all times the property of ASI.

24. Packaging

Merchandise shall be packaged to prevent loss or damage during transit. All cost of packaging are the sole responsibility of the seller.