



TERMS AND CONDITIONS OF PURCHASE

1. *Agreement of Purchase*

The Purchase Order along with these Terms and Conditions of Purchase constitute an agreement by AJC INTERNATIONAL INCORPORATED International to purchase goods from you on the express terms provided herein and any acceptance of this Purchase Order by you is limited to such terms. No differing terms in any of your proposals, documents or instruments will change or amend our terms. You may accept this Purchase Order by the earlier of either: (i) signing and returning to us by mail or confirmed fax the acknowledgement copy or (ii) shipment of the goods by specified carrier and means subject to this Purchase Order.

Any proposal by you for additional or different terms, or any attempt to modify or vary these terms in any way, is objected to and rejected by AJC INTERNATIONAL INCORPORATED. Such changes will be treated as a material alteration of this offer and do not constitute an acceptance by you.

AJC INTERNATIONAL INCORPORATED has the right upon notice to you to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery, and method of transportation. If any such changes cause an increase or decrease in the cost or the time required for performance of this Purchase Order, an equitable adjustment will be made.

AJC INTERNATIONAL INCORPORATED reserves the right to rescind this offer and cancel any Purchase Order in whole or in part by written notice at any time prior to shipment by you pursuant to Section 9. Such notice is deemed received upon the earlier of (i) personal delivery, (ii) fax confirmation, (iii) delivery by overnight carrier or (iv) receipt by mail. Should AJC INTERNATIONAL INCORPORATED exercise this right, then any and all amounts paid by AJC INTERNATIONAL INCORPORATED as a result of this Purchase Order shall be immediately refunded to AJC INTERNATIONAL INCORPORATED, subject to the provisions of said Section 9.2.4.

Any amounts paid by AJC INTERNATIONAL INCORPORATED in advance of shipment, if any, shall be deemed to be held in trust by you for the benefit of AJC INTERNATIONAL INCORPORATED, until the product is tendered to AJC INTERNATIONAL INCORPORATED, and you shall not permit any liens, encumbrances, or any other interest or claim of any third party to attach to any such funds paid by AJC INTERNATIONAL INCORPORATED pursuant to this Purchase Order in advance of shipment.

In the event that you fail to tender product or goods to AJC INTERNATIONAL INCORPORATED or fail to tender sufficient documents evidencing title to the product or goods, any and all sums paid by AJC INTERNATIONAL INCORPORATED for such product or goods shall be refunded immediately to AJC INTERNATIONAL INCORPORATED in full.

2. *Description*

This purchase by AJC INTERNATIONAL INCORPORATED is only for the goods expressly described. No change in kind, grade, quality or specification is accepted by AJC INTERNATIONAL INCORPORATED absent written agreement.

3. **Quantity**

This purchase by AJC INTERNATIONAL INCORPORATED is only for the quantity of goods expressly provided. No change in number or amounts is accepted by AJC INTERNATIONAL INCORPORATED absent written agreement. Partial shipments are not authorized by AJC INTERNATIONAL INCORPORATED except as expressly provided in this Purchase Order unless otherwise agreed in writing by AJC INTERNATIONAL INCORPORATED.

4. **Price**

This purchase by AJC INTERNATIONAL INCORPORATED is only at or below the price of goods expressly provided. No change in price of goods is accepted by AJC INTERNATIONAL INCORPORATED absent written agreement. You warrant to AJC INTERNATIONAL INCORPORATED that the prices for the goods sold to us under this Purchase Order are complete.

5. **Delivery**

AJC INTERNATIONAL INCORPORATED is purchasing the goods from you for resale. Title to the goods shall pass to AJC INTERNATIONAL INCORPORATED upon delivery. We have promised deliveries to our customers based on the delivery date(s) specified in this Purchase Order. Time is, therefore, of the essence of this Purchase Order. If deliveries are not made by the date(s) specified in this Purchase Order, AJC INTERNATIONAL INCORPORATED reserves the right without liability and in addition to its other rights and remedies to (i) terminate this Purchase Order by notice as to goods to not yet received and (ii) purchase substitute items elsewhere and charge you with any loss incurred.

If in order to comply with AJC INTERNATIONAL INCORPORATED'S required delivery date it becomes necessary for you to ship goods by a more expensive way than specified in this Purchase Order, you will pay any increased transportation costs resulting therefrom unless the necessity for such rerouting or expedited handling has been caused by AJC INTERNATIONAL INCORPORATED.

All goods purchased under this Purchase Order will (i) be produced and delivered to AJC INTERNATIONAL INCORPORATED in compliance with all applicable foreign, federal, state and local laws and (ii) will be accompanied by proper documents (as required by applicable foreign and domestic law) for export by you and import by AJC INTERNATIONAL INCORPORATED. IF AJC INTERNATIONAL INCORPORATED NOTIFIES YOU THE GOODS ARE TO BE INSPECTED FOR AND SUITABLE FOR EXPORT AND ENTRY INTO A SPECIFIED COUNTRY, YOU WILL PROVIDE ALL DOCUMENTS REQUIRED BY U.S. LAWS AND THE LAWS OF THE SPECIFIED COUNTRY TO FACILITATE EXPORT BY AJC INTERNATIONAL INCORPORATED AND IMPORT BY OUR CUSTOMER.

Upon delivery and before or after payment (without regard to the manner of shipment or any shipping or price terms), AJC INTERNATIONAL INCORPORATED has the right but not the obligation to inspect all goods delivered under this Purchase Order and to reject any or all such goods which are defective or nonconforming. For a period of ninety (90) days after delivery to AJC INTERNATIONAL INCORPORATED (or our customer, as applicable), such period being deemed reasonable by the parties, we reserve the absolute right to revoke any acceptance of nonconforming goods, the nonconformity of which was not perceptible upon initial inspection. Payments by AJC INTERNATIONAL INCORPORATED to you for the goods delivered under this Purchase Order do not constitute acceptance of the goods. In the event of any return or rejection of any goods product purchased pursuant hereto, you shall immediately refund and return any and all deposits,

prepayments, or any sums whatsoever received by you from AJC INTERNATIONAL INCORPORATED relating to such product or goods.

6. ***Force Majeure***

Force Majeure - Notwithstanding any other provision of this Contract, to the extent that either Party may fail to satisfy any obligation imposed under this Contract as a result of "Force Majeure", performance of this Contract shall, to that extent, be deemed to have been frustrated and no cause of action for breach or liability shall arise as a consequence thereof. For the purposes of this Article, "Force Majeure" means strikes, work stoppages, lockouts or exceptional circumstances arising from the threat thereof, Acts of God, State or the Public Enemy, including but not limited to war, acts of Nations, acts of Governments, acts of independent States, riots, civil disorder or insurrection, animal disease, animal health outbreaks or trade bans, embargo, or other disruption of or interference with trade, marine disaster, fire or other casualty. The Party suffering the Force Majeure shall diligently attempt to remove such cause or causes and shall promptly notify the other Party of its extent and probable duration. If the Party suffering the Force Majeure is unable to remove the cause or causes within 30 days, the Party shall have the right at its option, to terminate, without imposition of penalty or obligation to pay damages, this entire Contract or any portion thereof caused by the Force Majeure event.

Under a force majeure situation, AJC INTERNATIONAL INCORPORATED has the right to terminate this Purchase Order or any portion thereof, without imposition of penalty or obligation, legal or otherwise, and any and all amounts paid by AJC INTERNATIONAL INCORPORATED as a result of this Purchase Order shall be immediately refunded to AJC INTERNATIONAL INCORPORATED.

7. ***Warranties***

You expressly warrant that all goods purchased under this Purchase Order at the time of delivery to AJC INTERNATIONAL INCORPORATED (or our customer, as applicable) will be merchantable in the trade as goods strictly of the kind, grade, quality and specification described therein. The goods will be of good quality and free from defects, and will otherwise conform to the specifications established in this Purchase Order. If you know or have reason to know the particular purpose for which AJC INTERNATIONAL INCORPORATED intends to use the goods, you warrant such goods will be fit for such particular purpose. You further warrant that you will have good and marketable title to any goods provided under this Purchase Order at the time of delivery to AJC INTERNATIONAL INCORPORATED (or our customer, as applicable).

You warrant that all goods supplied under this Purchase Order will be produced in compliance with, and you agree to be bound by, all applicable federal, state and local laws, orders, rules and regulations. You further represent that, by acceptance of this Purchase Order, you are and will continue to be in full compliance with all federal laws, rules and regulations, all as from time to time amended, and all Executive Orders.

The warranties herein will survive inspection, test, acceptance and use. No inspection, test, acceptance or use of the goods furnished hereunder will affect your obligations under these warranties to AJC INTERNATIONAL INCORPORATED. The warranties herein will run to AJC INTERNATIONAL INCORPORATED, as well as our successor and assigns, customers, users and consumers of such goods, and you acknowledge and expressly permit assignment of this warranty by AJC INTERNATIONAL INCORPORATED to such persons.

8. Insurance

You agree upon request by AJC INTERNATIONAL INCORPORATED to submit certificates of insurance evidencing product liability, completed operations, contractor's liability and protective liability, automotive liability insurance (including non-owned automotive liability), workers' compensation and employer's liability insurance coverage. No recovery by AJC INTERNATIONAL INCORPORATED under any policy of insurance procured by you may limit, waive or bar any other right, remedy, claim, cause of action or recovery that AJC INTERNATIONAL INCORPORATED may have against you under this Purchase Order or pursuant to applicable law.

9. Termination

9.1 Termination by Seller

- 9.1.1 You may terminate any agreement arising under this Purchase Order (i) upon AJC INTERNATIONAL INCORPORATED'S failure to cure within thirty (30) days of receipt of written notice of breach from you stating with reasonable particularity the facts thereof, or (ii) immediately upon AJC INTERNATIONAL INCORPORATED'S failure to pay sums due therefor.
- 9.1.2 In the event of rightful termination by you for breach by AJC INTERNATIONAL INCORPORATED or failure to pay, such agreement will end and you will have no further obligation to AJC INTERNATIONAL INCORPORATED except as expressly provided herein.
- 9.1.3 In the event that Seller terminates for any reason, and AJC INTERNATIONAL INCORPORATED has paid any sums towards this Purchase Order, then any such amounts paid shall be immediately refunded to AJC INTERNATIONAL INCORPORATED, subject to the termination charges that may be applicable pursuant to Section 9.2.4.

9.2 Termination by AJC INTERNATIONAL INCORPORATED

- 9.2.1 AJC INTERNATIONAL INCORPORATED may terminate any agreement arising under this Purchase Order or such other contract between you and AJC INTERNATIONAL INCORPORATED (i) upon your failure to cure within thirty (30) days of receipt of written notice of breach from AJC INTERNATIONAL INCORPORATED stating with reasonable particularity the facts thereof, or (ii) immediately upon your failure to perform or promptly provide reasonable assurance of future performance upon request.
- 9.2.2 In the event of termination by AJC INTERNATIONAL INCORPORATED for breach by you or failure to perform, such agreement will end and AJC INTERNATIONAL INCORPORATED will have no further obligation to you except as expressly provided herein. AJC INTERNATIONAL INCORPORATED will be entitled to cancel any unfilled part of this Purchase Order without any liability whatsoever and have such other rights and remedies afforded to AJC INTERNATIONAL INCORPORATED for breach of contract under the Uniform Commercial Code as enacted in the State of Georgia or under any applicable law, including but not limited to the remedies of incidental and consequential damages.
- 9.2.3 AJC INTERNATIONAL INCORPORATED may terminate this Purchase Order in whole or in part without cause upon written notice to you at any time before shipment of all goods by you. In the event of such termination, you will immediately stop all

work and immediately cause any of your suppliers or subcontractors to cease such work except as AJC INTERNATIONAL INCORPORATED may otherwise direct.

- 9.2.4 In the event of termination by AJC INTERNATIONAL INCORPORATED without cause prior to shipment of all goods, you will be paid a reasonable termination charge consisting of a percentage of this Purchase Order price reflecting the percentage of the work performed prior to the notice of termination, plus actual direct costs resulting from termination, less any costs incurred by your suppliers or subcontractors which you reasonably could have avoided. You will not be paid for any work done after receipt of the notice of termination.

10. *Limitations of Liability*

You agree to use your best efforts to minimize any damage to goods upon any breach, failure to pay or termination of this Purchase Order by AJC INTERNATIONAL INCORPORATED. In furtherance and not in limitation of the foregoing, you agree to make reasonable efforts to sell such goods for AJC INTERNATIONAL INCORPORATED'S account.

IN NO EVENT WILL AJC INTERNATIONAL INCORPORATED BE LIABLE FOR (I) YOUR ANTICIPATED PROFITS OR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES YOU PAY OR INCUR OR (II) ANY PENALTIES, ASSESSMENTS, CHARGES OR OTHER FINES. AJC INTERNATIONAL INCORPORATED'S LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THE PURCHASE ORDER, OR FROM THE PERFORMANCE OR BREACH THEREOF, IS LIMITED TO THE PRICE ALLOCABLE TO THE SPECIFIC GOODS BY AMOUNT THEREOF WHICH GIVE RISE TO THE CLAIM.

Any claims by you for money due, or to become due from AJC INTERNATIONAL INCORPORATED under this Purchase Order, is subject to deductions or setoff by AJC INTERNATIONAL INCORPORATED by reason of an counterclaim arising out of such Purchase Order, any other Purchase Order between AJC INTERNATIONAL INCORPORATED and you, or any other transaction between AJC INTERNATIONAL INCORPORATED and you.

Any action by you resulting from any breach, failure to pay or termination of this Purchase Order by AJC INTERNATIONAL INCORPORATED must be commenced within one (1) year from the date the cause of action accrued.

11. *Arbitration, Legal Proceedings and Consent to Jurisdiction*

At AJC INTERNATIONAL INCORPORATED'S option, any controversy or claim arising out of or relating to this Purchase Order, or the breach thereof, must be settled by binding arbitration in Atlanta, Georgia. Such binding arbitration will be conducted in the English language in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s), may be entered in any court having jurisdiction thereof.

12. *Miscellaneous*

The Purchase Order and any agreement thereunder is governed and construed in accordance with the laws of the State of Georgia.

The Purchase Order and such terms and conditions herein constitute the entire agreement between AJC INTERNATIONAL INCORPORATED and you, superseding any and all other understandings, representations, proposals or negotiations between the parties, whether oral or written. No oral agreements or representations and no course of dealings between the parties or usage of trade is

relevant to supplement, explain, contradict or vary in any way any provision contained in this Purchase Order and these terms and conditions.

None of the terms and conditions contained in this Purchase Order or these terms and conditions may be added to, modified, superseded or otherwise altered except by a written instrument signed by AJC INTERNATIONAL INCORPORATED and you.

All notices allowed or required under this Purchase Order must be in writing and is deemed sufficient if sent to the parties at the addresses given in this Purchase Order (or to such other address as either party may provide in advance) (i) by personal delivery, (ii) by registered or certified mail, postage prepaid, (iii) by first class air mail, postage prepaid (for international mail), (iv) by facsimile, telex or telegraph or (v) by recognized overnight carrier. Notice shall be deemed given upon earliest receipt by any method provided herein.

Each of the rights and remedies reserved by AJC INTERNATIONAL INCORPORATED in this Purchase Order is cumulative and in addition to any other or further remedies provided by law or equity, or in this Purchase Order.

AJC INTERNATIONAL INCORPORATED'S failure to insist on performance of any of the terms or conditions herein by you, our failure to exercise any right or privilege, or our waiver of any breach under this Purchase Order does not thereafter waive any other terms, conditions, privileges or breach, whether of the same or similar type. Any waiver is effective only when in writing and signed by AJC INTERNATIONAL INCORPORATED.

Your rights and obligations under this Purchase Order may neither be assigned, delegated, nor subcontracted without the prior written consent of AJC INTERNATIONAL INCORPORATED.

Wherever possible, each provision of this Purchase Order will be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Purchase Order is prohibited by or invalid under applicable law, said provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Purchase Order.