

WEBSITE AND ORDERING TERMS

This privacy notice discloses the privacy practices for www.niosillc.com, Niosi Firearms Development, hereafter referred to as NFD. This privacy notice applies solely to information collected by this website. It will notify you of the following:

1. What personally identifiable information is collected from you through the website, how it is used and with whom it may be shared.
2. What choices are available to you regarding the use of your data.
3. The security procedures in place to protect the misuse of your information.
4. How you can correct any inaccuracies in the information.

INFORMATION COLLECTION, USE, AND SHARING

We are the sole owners of the information collected on this site. We only have access to/collect information that you voluntarily give us via email or other direct contact from you. We will not sell or rent this information to anyone.

We will use your information to respond to you, regarding the reason you contacted us. We will not share your information with any third party outside of our organization, other than as necessary to fulfill your request, e.g. to ship an order.

Unless you ask us not to, we may contact you via email in the future to tell you about specials, new products or services, or changes to this privacy policy.

YOUR ACCESS TO AND CONTROL OVER INFORMATION

You may opt out of any future contacts from us at any time. You can do the following at any time by contacting us via the email address or phone number given on our website:

- See what data we have about you, if any.
- Change/correct any data we have about you.
- Have us delete any data we have about you.
- Express any concern you have about our use of your data.

SECURITY

We take precautions to protect your information. When you submit sensitive information via the website, your information is protected both online and offline.

Wherever we collect sensitive information (such as credit card data), that information is encrypted and transmitted to us in a secure way. You can verify this by looking for a lock icon in the address bar and looking for “https” at the beginning of the address of the Web page.

While we use encryption to protect sensitive information transmitted online, we also protect your information offline. Only employees who need the information to perform a specific job (for example, billing or customer service) are granted access to personally identifiable information. The computers/servers in which we store personally identifiable information are kept in a secure environment.

COPYRIGHT

Contents on this site is the property of FoldAR and its affiliates. It is protected by United States and international copyright laws.

SITE POLICIES, MODIFICATION, AND SERVICEABILITY

Please review all policies posted on this site. These policies also govern your visit folder..com. We reserve the right to make changes to our site, policies, and any conditions at any time. If any of these conditions shall be deemed invalid, void, or for any reason unenforceable, that condition shall be deemed severable and shall not affect the validity and enforceability of any remaining condition.

CUSTOMER RESPONSIBILITY

Customers must be at least 18 years of age to purchase any item from FNFD. Customers must be of legal age to own any items ordered. Customers must be at least 21 years of age if purchasing a hand gun or ATF-defined "OTHER" firearm (including, but not limited to, frames, pistol-grip shotguns, and stripped receivers) OR ammunition or ammunition components for use in handguns. FNFD may request a copy of your state identification before shipping your order. Customers are responsible for checking all local laws before ordering or using any item from FNFD. Customers are responsible for complying with all firearms laws in their area. Customers are to notify us immediately should you have any concerns about the legality of any product you have ordered. Any customer making a purchase through us agrees to follow all manufacture safety instructions and to only use the product(s) in a safe manner in an approved area for a legal purpose. Customers assume all responsibility for the legality of a specific item when you purchase it.

Customers must provide a valid contact phone number with any order placed. NFD may contact you at the provided phone number before processing any order. Customers are responsible for payment for all orders placed through this online system. If you are not sure if you want something please do not order it. When making a purchase from NFD customers agree they are not prohibited by Federal or State law, or local ordinance, from receiving firearms or ammunition, or ammunition components, of any kind. Customers agree they are the actual transferee/buyer of the firearm(s) being purchased. Customers agree they are not a fugitive from justice. Customers agree they are not an alien illegally in the United States. Customers agree they have never renounced United States citizenship. Customers agree they are not currently on Federal NICS or State agency DELAY/DENIED status regarding your most recent attempt to purchase a firearm. Customers agree they have not been convicted in any court of a felony, or any other crime, for which the judge could have imprisoned you for more than one year. Customers agree they are not under indictment for a felony, or any other crime that a judge could imprison them for. Customers agree they have not been convicted in any court of a misdemeanor crime of domestic violence. Customers agree they are not subject to a court order restraining you from stalking, harassing, or threatening anyone. Customers agree they have not been discharged from the Armed Forces under dishonorable conditions. Customers agree they have never been adjudicated mentally defective or have not been committed to a mental institution. Customers agree they are not an unlawful user of, or addicted to, marijuana or any depressant, stimulant, narcotic drug, or any other controlled substance. Customers understand that cleaning, handling, or discharging firearms, ammunition or ammunition components may cause exposure to lead and they hold NFD harmless and assume all responsibility for any lead exposure.

RETURNS

Firearm Returns – THIS IS VERY IMPORTANT! Please take your time to inspect all firearms thoroughly before proceeding with your transfer. Once a new firearm is transferred to you it is considered used, even if it is unfired. TRANSFERRED FIREARMS CANNOT BE RETURNED.

NFD cannot provide a full refund for new firearms once they have been transferred into your possession. Also, we do not reimburse FFL transfer fees on returned items.. NFD will accept returns on firearms that have not been transferred OR fired. If a return is authorized a 50% restocking fee plus return shipping will apply.

COOKIES

We use “cookies” on this site. A cookie is a piece of data stored on a site visitor’s hard drive to help us improve your access to our site and identify repeat visitors to our site. For instance, when we use a cookie to identify you, you would not have to log in a password more than once, thereby saving time while on our site. Cookies can also enable us to track and target the interests of our users to enhance the experience on our site. Usage of a cookie is in no way linked to any personally identifiable information on our site.

LINKS

This website contains links to other sites. Please be aware that we are not responsible for the content or privacy practices of such other sites. We encourage our users to be aware when they leave our site and to read the privacy statements of any other site that collects personally identifiable information.

SURVEYS & CONTESTS

From time-to-time our site requests information via surveys or contests. Participation in these surveys or contests is completely voluntary and you may choose whether or not to participate and therefore disclose this information. Information requested may include contact information (such as name and shipping address), and demographic information (such as zip code, age level). Contact information will be used to notify

the winners and award prizes. Survey information will be used for purposes of monitoring or improving the use and satisfaction of this site.

ONLINE PRICE / DESCRIPTION ERRORS / AVAILABILITY

Occasionally we have only one item in stock and more than one person orders it. When this happens we honor the first funded order. If we run out of stock we will cancel your order and fully refund your money. Our online inventory changes every day. Occasionally an item may appear on the site by mistake or the item's description may contain a typographical error. We do not guarantee that titles, descriptions, pictures or prices on our site are complete, error-free, reliable, or current.

FIREARM SHIPPING – FFL TRANSFERS

NFD will only ship firearms to individuals or agencies with a valid FFL (Federal Firearms License). In some cases NFD may choose not to ship firearms to certain dealers.

YOUR ACCOUNT

You must be at least 18 years of age to create an account on folder.com. You agree that it is your responsibility to maintain the confidentiality of your account. You agree to accept responsibility for all of the activities that occur under your account and password. NFD and its affiliates reserve the right to suspend accounts, terminate accounts, cancel orders, refuse service, and remove or edit account information.

SECURE TRANSMISSION

All information collected during the checkout process is transmitted via industry standard Secure Sockets Layer (SSL) featuring 128-bit encryption. A Secure Sockets Layer (SSL) Certificate creates an encrypted link between a Web site and a visitor's Web browser. This link ensures that all data passed between the Web site and the browser remains private and secure.

APPLICABLE LAW

By visiting www.niosillc.com, you agree to the laws of the state of New York. You also agree that any disputes that could arise between you and NFD or any of its affiliates shall be heard exclusively in the jurisdiction of the Federal District Court located in the Eastern district of New York.

If you feel that we are not abiding by this privacy policy, you should contact us immediately.

SUPPLIER TERMS & CONDITIONS

1. Application. These Terms and Conditions apply to every purchase, sale, shipment and delivery of Products and Related Services from Supplier to Company and related transactions, unless otherwise agreed in writing by Company and Supplier. These Terms and Conditions may be amended from time to time by Company, at its sole option, and except as agreed to in writing by Company, such modifications will apply to any Purchase Order.

2. Definitions. Capitalized terms have the meanings given to them in this Section 2 and as otherwise ascribed in the Agreement.

Affiliate means a Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with another Person by virtue of equity ownership, by contract or by other means.

Agreement means the Master Supplier Agreement between Company and Supplier and all Schedules attached thereto.

Applicable Law means any federal, state, and local laws, ordinances, and codes, together with all rules, regulations, policies and guides promulgated thereunder or pursuant thereto, applicable to the subject matter of the Agreement, including, without limitation, laws relating to the manufacture, sale, transport, use, disposal, and recycling of Products, including the National Firearms Act, the Gun Control Act of 1968, and related federal and state firearms regulations; data privacy and cyber security laws; intellectual property laws; environmental laws; labor laws; laws covering product packaging, labeling, recordkeeping, reporting, and transportation, and all safety, hazard communication, and remediation standards; consumer protection laws; laws relating to rebates; laws relating to bribes, kickbacks, or other unlawful or corrupt payments; laws relating to gifts given or loans made to any Person to obtain or retain business or to gain an improper advantage; together with all rules, regulations, and guides promulgated under any such laws and any directives issued by governmental or intergovernmental authority.

Company Indemnitees means Company, its Affiliates, and their successor and assigns, and their respective partners,

officers, directors, shareholders, agents, representatives, independent contractors, servants and employees.

Confidential Information means all information and data, in any form whatsoever, relating to a Party's business, trade practices, trade secrets, packaging, shipping and delivery procedures, products, designs, quality standards, forecasts, operational methods, compliance methods, sales, marketing, technology, know-how, providers, customers, financial statements or other financial information, strategies, business plans, which may be communicated to the other Party, its Affiliates, or its representatives or of which the other Party, its Affiliates, or its representatives may be apprised of by virtue of the Agreement and these Terms and Conditions, including, without limitation, the identity of and other information regarding the Product Specifications and the Prices. For Supplier's information to be Confidential Information, Supplier must designate that information as "confidential" to Company.

Confirmed Shipment Date means the date by which Supplier commits to deliver ordered Products to the Shipping Point designated on the applicable Purchase Order.

Consequential Damages means damages and injury that result from a Party's negligent performance of or other breach of the Agreement for: (a) lost profits; and (b) compensation for damages to reputation and goodwill including costs of or resulting from delays, financing, marketing materials and media time and space, and costs of changing, substituting or replacing the same.

Control, Controls, and Controlled means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person,

whether through ownership of voting securities, by contract, or otherwise.

Corrective Action Plan means an action plan to be executed by Supplier in the event of recall or a quality issue or abnormality caused by a process deviation of one or more defective Products, including, but not limited to, any plan for return of defective Products to Supplier for a refund or replacement Products, any plan for withdrawal of defective Products from the marketplace, repair of defective Products and any notice to Company and the general public of hazards with respect to one or more defective Products. For purposes of these Terms and Conditions, a Corrective Action Plan includes all actions necessary or advisable to comply with all Applicable Law, including all steps mandated, requested or suggested by governmental authorities.

Cybersecurity Incident means any event that results in unauthorized access to, or adversely affects the availability or integrity of, the Confidential Information, which could not have been prevented by reasonable administrative, physical and technical security measures.

Effective Date means the date the Agreement is effective, as set forth in Section 2 of the Agreement.

Epidemic Failure means the failure of 5% of Products delivered to Company in fulfillment of a Purchase Order or in fulfillment of a portion of blanket Purchase Order if such blanket Purchase Order requests multiple deliveries over a period of time, within two years following delivery to Company, regardless of whether such Products have been incorporated into Merchandise, by reason of any defect arising from: (a) Supplier's failure to manufacture Products in accordance with Product Specifications, (b) the violation

of any Applicable Law, or (c) a defect in the materials or workmanship of such Products.

Event of Default means a breach of the Agreement as set forth in Section 24.1.

Expiration Date means the date that the Initial Term expires, as set forth in Section 2 of the Agreement.

Force Majeure Event means an act of nature, strike, fire, flood, war, civil unrest, embargo, Cybersecurity Incident, or any other cause which is beyond the reasonable control of Company or Supplier and materially and adversely prohibits the applicable Party from performing under the Terms and Conditions and any Purchase Order.

Initial Term begins on the Effective Date, and, unless terminated in accordance with these Terms and Conditions, continues in full force and effect until the Expiration Date.

Intellectual Property Rights means all rights arising under contract, statutes, civil law or common law, whether or not perfected, associated with (a) patents and patent applications; (b) trademarks, service marks, layouts, designs, décor, and color schemes; (c) works of authorship, including, without limitation, copyrights, source codes, moral rights, and neighboring rights; (d) the protection of Confidential Information and trade secrets; (e) any rights analogous to those set forth herein and any other proprietary rights relating to intangible or intellectual property now existing or later recognized in any jurisdiction; and (f) divisions, continuations, renewals, re-issuances, re-examinations, applications, registrations, and extensions of the foregoing (as applicable) now existing or hereafter filed, issued, or acquired.

Late Shipment means delivery of a shipment to a Shipping Point of Products by Supplier after the Confirmed Shipment Date.

Late Shipment Charges means costs incurred as a result of Supplier's Late Shipment of Products, including, but not limited to, expedited freight charges and costs related to production schedule changes, line stoppages and Product sorting and remediation.

Lead Time means the time from the date Company delivers to Supplier a Purchase Order to the time that Supplier will deliver to the Shipping Point either the Products necessary to fulfill such Purchase Order, or, if the Purchase Order requests multiple deliveries, the Products necessary to fulfill the first requested delivery under such Purchase Order. The Product Specifications set forth the Lead Time for each Product.

Losses and Expenses means, without limitation, all losses, compensatory, exemplary or punitive damages, settlement amounts, judgments, court costs, fines, charges, costs, and expenses, including reasonable attorneys' fees and Consequential Damages.

Marks means Company's trademarks, service marks, names, identifying symbols, logos, tag lines, domain names, URLs or any other indicia of origin related to, owned by, used or associated with Company or its Affiliates or the goodwill thereof.

Merchandise means laterally folding firearms developed, manufactured, and/or distributed by or at the direction of Company or its Affiliates.

Order Confirmation means Supplier's written acknowledgement of receipt and acceptance of each

Purchase Order and in which Supplier will provide a Confirmed Shipment Date for the Products ordered. If a blanket Purchase Order requests multiple deliveries of Products over a period of time, the Order Confirmation will provide a Confirmed Shipment Date for each individual delivery requested for the Products ordered.

Person includes natural persons, partnerships, firms, and other unincorporated bodies, corporate bodies, and all other legal persons however constituted.

Price means the unit price for each Product as set forth in Schedule 2 (Pricing Terms) as or modified by the Parties from time to time in accordance with Schedule 2 (Pricing Terms). Prices do not include any taxes and will be net of any rebate, discount or credit.

Product(s) means the products set forth in Schedule 1 (Products and Related Services), as may be amended by the Parties in writing from time to time.

Product Specifications means any document, drawing, instruction or other guidance, issued by Company, that indicates particular qualities, standards, characteristics or specifications of a particular Product and may include, without limitation, a product description, artwork, labels, component raw material requirements or prohibitions, processing steps, process control points, packaging requirements, and shipping, handling and distribution requirements for the Products. The initial Product Specifications will be provided by Company and confirmed in writing by Supplier contemporaneously with the Agreement.

Purchase Order refers to any purchase order (in a form and manner acceptable to Company) submitted by Company to

Supplier for Products, including, without limitation, any modification of such Purchase Order agreed to by Company and Supplier in writing. The term "Purchase Order" includes a blanket purchase order submitted by Company to Supplier for multiple deliveries of Products over a period of time. Supplier is deemed to have accepted a Purchase Order unless within 24 hours of the effective date of the Purchase Order it notifies Company in writing that it objects to or rejects a Purchase Order. All Purchase Orders are subject to these Terms and Conditions. Any reference to a Purchase Order herein refers to the Purchase Order(s) applicable to the Product ordered by Company. If there is a conflict between these Terms and Conditions and any Purchase Order, these Terms and Conditions will control.

Related Services means design, sourcing, production, assembly, storage, handling and transportation of the Product by Supplier and any other services Supplier will perform pursuant to the Agreement and any Purchase Order.

Renewal Term means a period of 12 consecutive months.

Schedule or Schedules means those schedules attached to the Agreement, as such schedules may be modified and updated from time to time in accordance with the terms of the Agreement or in a writing signed by the Parties.

Shipping Point means the shipping point to which Supplier is to deliver the Products as set forth in the applicable Purchase Order or otherwise specified in writing by Company.

Taxes means all taxes imposed by any federal, state, or local government authority, including, without limitation, sales, use, personal, franchise, gross receipts, excise, tariff

and withholding and similar taxes. Taxes do not include any employment, income, property or similar taxes.

Term means the Initial Term or a Renewal Term, as applicable.

Work In Progress means materials and parts used by Supplier to make the Products ordered by Company pursuant to a Purchase Order, which are unique to the Products supplied under the Agreement and therefore unable to be used by Supplier for products for Supplier's other customers, or for which the quantity Supplier is required to have in inventory in order to comply with the Lead Time specified in the Product Specifications is greater than an amount Supplier can use for products for Supplier's other customers within six months.

3. Products. Supplier will sell the Products to Company and perform the Related Services described in Schedule 1 (Products and Related Services) in accordance with Applicable Law and according to the Prices in accordance with Schedule 2 (Pricing Terms). Supplier must properly label all Products in accordance with Applicable Law
4. Product Specifications. Certain Products designated by Company must meet Product Specifications. Supplier will not deviate from Product Specifications without Company's prior written consent. Company reserves the right to modify or revise Product Specifications from time to time, upon prior written notice to Supplier. If Company makes changes to Product Specifications for any Product, Supplier will use all reasonable efforts to obtain, produce, and sell the Products in accordance with the modified Product Specifications within the time requirements specified by Company. If a change to Product Specifications is needed to comply with Applicable Law, Company will issue revised Product Specifications and Supplier will meet the Product

Specification as changed to comply with Applicable Law. Without limiting the foregoing, if Supplier cannot obtain, produce, and sell the Products to Company in accordance with any materially modified Product Specifications, then either Party may terminate the Agreement in accordance with Section 24.4. For Products added during the Term, new Product Specifications may be established by Company in writing. If Company has not provided Product Specifications for a particular Product, Supplier will manufacture and sell such Product to Company in conformance with standard industry practices.

5. Purchase Commitment. Other than by placing a Purchase Order with Supplier, Company makes no promise, commitment, or guarantee that it will purchase a specific quantity of any Products from Supplier. Company makes no promise, commitment, or guarantee that it will purchase other or additional Products in any amount or within any time period other than the specific Products designated by a Purchase Order.
6. Purchase Order Confirmation. Supplier will provide an Order Confirmation for each Purchase Order. Supplier will transmit the Order Confirmation within 24 hours (not including Saturday, Sunday, or holiday) of Company's delivery of the applicable Purchase Order. Such Order Confirmation will contain at least the Product(s), quantity, and Confirmed Shipment Date (or Confirmed Shipment Dates if the Purchase Order requests multiple deliveries of Products over a period of time). The Confirmed Shipment Date must fall within the Lead Time period specified in the Product Specifications if the Purchase Order requests a single delivery of Products. The Confirmed Shipment Date for the first delivery of Products pursuant to a blanket Purchase Order must fall within the Lead Time period specified in the Product Specifications if the blanket Purchase Order requests multiple deliveries of Products. If Supplier cannot respond with a Confirmed Shipment

Date(s) within the time period specified in the Purchase Order, Supplier will immediately notify Company.

7. Changes to and Cancellation of Purchase Orders.

7.1 Changes to Purchase Orders. Supplier will not make any changes to any Purchase Order, including Product, item number, quantity(ies), or Confirmed Shipment Date(s), unless Company has requested the change in writing or has otherwise approved the change in writing. Company, at its sole option, may change any Purchase Order, including, without limitation, increasing or decreasing order quantities or delaying Confirmed Shipment Date(s). Supplier will promptly acknowledge receipt of any such change and will comply with such changes in a timely manner. Supplier will provide Company with new Confirmed Shipment Date(s) for the Purchase Order if Supplier will provide Company with new Confirmed Shipment Date(s) for the Purchase Order if necessary.

7.2 Purchase Order Cancellation. Company may cancel any Purchase Order (or any portion of a Purchase Order if such Purchase Order requests multiple deliveries) for any reason or no reason upon written notice to Supplier. If cancellation is without cause, the shipment of Products already is in transit to the Shipping Point, and Company directs return of the Products, then, upon receipt of Supplier's invoice and accurate and satisfactory documentation, Company will reimburse Supplier's reasonable costs and expenses actually incurred to return the shipped Products to Supplier's facility. If cancellation is without cause, upon receipt of accurate and satisfactory documentation, Company will pay to Supplier Supplier's costs incurred for Work in Progress that is specific to such Purchase Order(s) and which Supplier cannot use for any other purpose. All Work in Progress paid for by Company under this Section 7.2 will be considered Company's property, and Supplier

will either finish such Work in Progress and deliver such Products, deliver the Work in Progress, or dispose of the Work in Progress, in accordance with Company's instructions. If Company cancels any Purchase Order(s) (or portion of any Purchase Order(s)) upon the occurrence of an Event of Default as described in Section 24.1, if applicable, Supplier will immediately cease work on the affected Purchase Order(s) and will remain financially responsible for the cost and disposition of the Products under the affected Purchase Order(s). In addition to Company's rights set forth in this Section 7.2, Company will have all rights and remedies available at law or in equity.

8. Deliveries. Products purchased from Supplier will be shipped to the Shipping Point. Supplier bears all risk and shipping, storage, insurance, and related costs associated with delivering the Products to the Shipping Point (including, without limitation, all arrangements with any carrier and any losses or damages to the Product resulting from any such carrier arrangement or shipment), ready for unloading and cleared of any import. Title and risk of loss or damage for Products will pass to Company at the time Supplier unloads the Products from the delivery vehicle and transfers possession of the Products to the Company at the Shipping Point. All Products must be delivered to or made available at the Shipping Point on the Confirmed Shipment Date in the Purchase Order Confirmation and on a FIFO basis, such that the oldest conforming Products are shipped before any other Products. Time is of the essence with respect to Supplier's performance of the Related Services. Supplier will promptly notify Company of any Late Shipment and will pay for any Late Shipment Charges. Payment of Late Shipment Charges will not waive or diminish any other rights or remedies available to Company under the Agreement, at law, or in equity.
9. Inspection and Returns.

9.1 Inspection. Company will have a reasonable time within which to inspect the Products before accepting them. If the Products do not conform to the Product Specifications, the Agreement, the applicable Purchase Order, or Applicable Law, or are otherwise, in whole or in part, defective, Company will have the right, in addition to any and all other rights under the Terms and Conditions or arising at law or in equity, to reject all or any portion of the affected Products and elect to receive replacement Products, a credit to any pending or future invoices, or a refund of any amounts paid for such Product.

9.2 Shortages and Discrepancies. Company will notify Supplier of any shortage of Product ordered under a Purchase Order within 10 days after receipt of Products at the Shipping Point. In addition, Company will notify Supplier of any failure of the Products to conform to Product Specifications or apparent defect in the Products within 180 days after receipt of Products at Shipping Point, unless Company does not become aware of such failure to conform to Product Specifications or apparent defect within such 180-day period, in which case Company will notify Supplier of such failure to conform to Product Specifications or apparent defect as promptly as reasonably practical. Supplier will, within 15 days of receipt of such notice, or within any shorter time period requested by Company if Company determines the failure materially affects Company's ability to meet its business needs, correct such shortage, defect, or other discrepancy. If Supplier is unable or unwilling to correct the matter in a time and manner acceptable to Company, Supplier will credit Company for the full amount of the affected Products' Prices and will reimburse Company for any other Losses and Expenses associated with the non-conforming Products.

10. Prices; Most Favorable Prices; Taxes. Pricing terms will be set in accordance with Schedule 2, quoted and payable in U.S. dollars, and inclusive of all fees, Taxes, and other charges of any kind whatsoever. Schedule 2 describes the process for any Price change. Supplier warrants that the Prices and other financial terms and conditions for Products quoted and sold to Company under the Agreement will be equal to or better than those extended to any customer of Supplier for the same or like products of substantially similar quantities. If Supplier provides more favorable pricing or other financial terms and conditions for the same or like products, Supplier and Company will adjust the Prices so that the pricing and other financial terms and conditions for the Products are equal to or better than those extended to any customer of Supplier for the same or like products of substantially similar quantities. Not later than 90 days after the end of each calendar year during the Term, Supplier will deliver to Company a written certification, confirming compliance during the preceding calendar year with this Section 10 in a form agreed to by the Parties. Company will be liable for and pay such Taxes, if any, imposed on the Products as customarily imposed on the purchaser after such Products are received at the Shipping Point. Each Party maintains responsibility for its own employment, income, property, and similar taxes.

11. Invoices; Payment Terms; Disputed Charges. Supplier will invoice Company for each shipment of Products upon delivery of the Products to the Shipping Point. Company will pay Supplier all undisputed amounts invoiced by Supplier within 30 days following Company's receipt of each invoice. If Company disputes the accuracy or applicability of a charge, Company will pay the undisputed portion of the invoice in accordance with this Section 11 and will notify Supplier of such disputed amount as soon as practicable after discovering the discrepancy. Company and Supplier will investigate and resolve the dispute in accordance with

Section 26. Unpaid amounts that are subject to a good faith dispute will not constitute an Event of Default. Company reserves all rights of offset.

12. Warranty. Supplier will be deemed to represent, covenant, and warrant that the Products will: (a) be of high quality and free from material defect; (b) be merchantable, safe, and suitable for their intended purpose; (c) not infringe on any third party's Intellectual Property Rights; (d) conform to Product Specifications; (e) be manufactured and transported in full compliance with Applicable Law; and (f) be delivered with good title, free from any security interest or other claim, lien, or encumbrance of any kind whatsoever against them. Notwithstanding the above, as to the design of the Products, Supplier's warranty under (a), (b), and (c) above does not extend to its compliance with the Product Specifications provided by the Company, so long as Supplier has not modified the Company's Product Specifications, except as expressly authorized by Company in writing. Supplier additionally represents, covenants, and warrants that: (i) Supplier is duly organized and validly existing under the laws of the jurisdiction of its formation and is authorized to do business in any other jurisdiction as required in order to provide the Related Services; (ii) Supplier is and will remain financially capable of performing the Related Services and providing the Products; (iii) Supplier has and will maintain all requisite power, authority, insurance, bonds, permits, licenses (including any necessary Federal Firearms License), certificates, or approval to execute, manufacture, and deliver the Products pursuant to any Purchase Order and any other document, agreement, certificate or instrument necessary to consummate the transactions and perform its obligations under the Agreement; (iv) Supplier's performance of its obligations under the Agreement will not result in a violation or default of any governing document applicable to Supplier, any other agreement of whatever nature to which

Supplier is a party or by which it is bound, or any provision of any Applicable Law; and (v) Supplier will develop and maintain Corrective Action Plans and practices related to product quality and recall acceptable to Company, and will provide Company with a copy of such Corrective Action Plans upon Company request. In addition to the representations, warranties, and guarantees contained in these Terms and Conditions, all other representations, warranties, and guarantees provided by the Uniform Commercial Code applicable to the Products or Related Services are specifically incorporated herein. Nothing contained in these Terms and Conditions or any Purchase Order will be deemed a waiver of any representations, warranties, or guarantees implied by law.

13. Records, Audits, and Inspections; Factories. Supplier will maintain, at all times during the Term and for three years following the expiration or termination of the Agreement, complete and accurate records and supporting documentation pertaining to the production of the Products. Within seven days of Company's request, Supplier will provide reports, records, and data that may be requested by Company from time to time. Supplier will provide to Company, and to any representatives that Company may designate from time to time, reasonable access to Supplier's facilities to perform operational audits and inspections of Supplier and its facilities and records used in the provision of the Products and to interview Supplier's engineers, manufacturing employees, and other in-process personnel. Supplier will at all times maintain a safe, clean, healthy and productive work and factory environment. Factories producing Products (whether such factories belong to Supplier or to any third party) will provide adequate medical facilities, fire exits and safety equipment, well-lighted and comfortable workstations, clean restrooms and, if applicable, adequate living quarters. Supplier will ensure that all factories, facilities and employee living

quarters owned or operated by Supplier take all possible precautions to reduce the risk of fire, and have adequate plans to protect the lives of the employees in the event of a fire. Supplier will ensure that all workers are adequately trained to perform their jobs safely. Factory audits and inspections may be conducted by Company or a third-party audit firm designated by Company. If Supplier refuses any such inspection or if such inspection reveals a breach of the Agreement or other substandard practice that presents an unreasonable risk to human health or well-being (as determined by Company, at its option), Company may terminate the Agreement immediately upon notice to Supplier and cancel any outstanding Purchase Orders. Supplier will take all necessary measures to ensure that all factories and facilities owned or operated by Supplier conduct business so as to minimize the impact on the environment, including reducing waste and maximizing recycling initiatives. Supplier will adhere to all Applicable Laws relating to protection of the environment. If this Section 13 establishes, with respect to facilities, standards more strict than those prescribed by Applicable Law, Supplier will adhere to the stricter requirements of this Section 13.

14. Intellectual Property Rights.

14.1 Company's Intellectual Property Rights. Company is and will be the sole owner of all right, title, and interest in and to any Intellectual Property Rights created as a result of or related to Product Specifications and any improvements, modifications, or derivative works of Supplier's production and sale of the Products in compliance with Company's Product Specifications. Company does not grant Supplier any ownership right with respect to any Intellectual Property Rights created as a result of Supplier's supply of the Products to Company in accordance with the Product Specifications. Supplier without reservation, irrevocably

sells, assigns, transfers, and conveys, and will be deemed to have irrevocably sold, assigned, transferred, and conveyed to Company, its successors, assigns and legal representatives, all right, title and interest (past, present, future, and throughout the world) in and to the Products, together with all corresponding Intellectual Property Rights related to Product Specifications; and any and all claims, of any nature whatsoever, for past, present or future infringement or violation of such Intellectual Property Rights. If Supplier has any rights to work product that cannot be assigned to Company, Supplier unconditionally and irrevocably waives the enforcement of such rights, and if such rights cannot be waived, Supplier hereby grants to Company a fully paid-up, exclusive, irrevocable, perpetual, worldwide license to display, copy, distribute, perform, or use in any manner and to make derivative works of the work product. Supplier will assist Company to register and record (as may be required by Applicable Law or requested by Company), and from time to time enforce, all Intellectual Property Rights, and other rights and protections relating to the work product created hereunder in any and all countries. Supplier will execute (and cause employees to execute) any documents and take any other actions reasonably necessary to effectuate the purposes of this Section 14.1. Company's Intellectual Property Rights will not be impacted by any Event of Default or termination of the Agreement.

14.2 Supplier's Intellectual Property Rights. Notwithstanding anything to the contrary herein, Supplier is the sole owner of all right, title, and interest in and to any Intellectual Property Rights that were developed by Supplier prior to or independent of its performance under the Agreement. If any Product incorporates Supplier's Intellectual Property Rights, Supplier grants Company the right and license to use such

Intellectual Property Rights in connection with Company's use of the Product in connection with Merchandise.

15. Marks. Supplier does not own any interest whatsoever in the Marks. Supplier will refrain from making any claims or asserting any right or interest in the Marks. Supplier will have no right or authority to use, display, license, refer to, or in any way benefit from such Marks in any manner. Supplier does not have the right to publicize or advertise, using any media sources, the Products or Supplier's relationship with Company. Supplier will not indicate, and Company grants no permission for Supplier to indicate, in any manner whatsoever that Supplier or the Products are endorsed or sponsored by Company or any of its Affiliates.
16. Covenant Not to Compete. During the Term and for a continuous uninterrupted period of two years following the expiration or earlier termination of the Agreement, Supplier will not sell, distribute, or supply, directly or indirectly, any product or component that is the same or substantially similar in form, fit, or function as a Product to a firearms manufacturer in the United States (except for the Company) for use in a laterally folding firearm. If any part of this covenant is found to be unreasonable in time or distance, the arbitrator or court may modify the covenant and enforce it to the maximum lawful extent. Supplier acknowledges that any failure to comply with this Section 16 will cause irreparable harm to the Company for which money damages alone would be an inadequate remedy. If Supplier breaches this Section 16, in addition to any other remedies it may have at law or in equity, Company will be entitled to a restraining order, injunction, or other similar relief in order to enforce the provisions of this Section 16 without the posting of a bond or any other security.
17. Confidential Information. The Confidential Information is valuable and proprietary property of the Parties or their Affiliates. The disclosure of the Confidential Information to

Supplier by Company or developed by Supplier or Company as a result of the Products supplied and Related Services provided hereunder, as well as the disclosure of Confidential Information to Company by Supplier, is induced by and in reliance on the covenants regarding confidentiality set forth in this Section 17. All Confidential Information will be subject to this Section 17 and will be used by the Parties for the sole and exclusive purpose of supplying the Products or performing the Related Services. Except as otherwise permitted in these Terms and Conditions or in a separate writing signed by the Parties, the Parties will maintain Confidential Information in strict confidence and will not disclose any Confidential Information to any person other than to bona fide employees, agents, or professional advisors of the Party who the Party believes requires such Confidential Information on a need-to-know basis in the course of their work with the Party. If any unauthorized disclosure of Confidential Information occurs or is suspected by a Party, that Party will immediately notify the other Party of the full particulars of such actual or suspected disclosure. Upon the expiration or earlier termination of the Agreement, the Parties will promptly: (a) return to the other Party all Confidential Information of the other Party in its possession, together with all the copies thereof and all documents based thereon; (b) destroy, and confirm to the other Party that it has been destroyed, including all Confidential Information stored on any electrical or magnetic storage device; (c) cease to use, in any manner whatsoever, all of the Confidential Information; and (d) cause any employees, agents, and advisors to return or destroy all Confidential Information. Each Party acknowledges that any failure to comply with this Section 17 will cause irreparable harm to the other Party for which money damages alone would be an inadequate remedy. If a Party breaches this Section 17, in addition to any other remedies it may have at law or in equity, the other Party will

be entitled to a restraining order, injunction, or other similar relief in order to enforce the provisions of this Section 17 without the posting of a bond or any other security.

18. Subcontractors. Supplier will not engage or use any third party to perform all or any part of Supplier's obligations under the Agreement, including, but not limited, to the manufacture of Products.
19. Insider Trading. Supplier will advise any Persons who are informed as to matters that are the subject of the Agreement, including, without limitation, any Confidential Information, that U.S. securities laws prohibit any Person who has received from an issuer, such as Company, material, non-public information concerning matters like those that are the subject of the Agreement from purchasing or selling securities of that issuer on the basis of the information or from communicating the information to any other Person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell securities on the basis of that information.
20. INDEMNIFICATION, PRODUCT RECALL, AND LOSSES AND EXPENSES.

20.1 INDEMNIFICATION. SUPPLIER WILL, AT ALL TIMES, INDEMNIFY, DEFEND AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW COMPANY INDEMNITEES FROM ALL LOSSES AND EXPENSES INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INVESTIGATION OR INQUIRY (FORMAL OR INFORMAL), OR ANY SETTLEMENT THEREOF, BY A THIRD PARTY ("CLAIM"), WHETHER OR NOT A FORMAL PROCEEDING OR ACTION HAS BEEN INSTITUTED WHICH ARISES OUT OF OR IS BASED UPON ANY OF THE FOLLOWING: (A) ANY ACTUAL OR ALLEGED DEFECT IN THE PRODUCTS SUPPLIED BY SUPPLIER HOWEVER OCCURRING AND WHETHER ARISING OUT OF THE

RELATED SERVICES, EXCEPT TO THE EXTENT THAT (I) AS TO THE PRODUCT'S DESIGN, SUCH PRODUCT IS IN FULL COMPLIANCE IN ALL RESPECTS WITH THE COMPANY'S PRODUCT SPECIFICATIONS, OR (II) THE PRODUCT WAS MODIFIED BY THE COMPANY AFTER DELIVERY OF THE PRODUCT TO THE COMPANY AND BEFORE INCORPORATION OF THE PRODUCT INTO MERCHANDISE AND THE CLAIM RELATES TO SUCH MODIFICATION; (B) SUPPLIER'S BREACH OF ITS REPRESENTATIONS, COVENANTS, AND WARRANTIES, OR OTHER BREACH OF THESE TERMS AND CONDITIONS; (C) SUPPLIER'S RELATED SERVICES IN VIOLATION OF APPLICABLE LAW OR INFRINGING UPON ANY THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS, EXCEPT TO THE EXTENT THAT, AS TO THE PRODUCT'S DESIGN, SUCH PRODUCT IS IN FULL COMPLIANCE IN ALL RESPECTS WITH THE COMPANY'S PRODUCT SPECIFICATIONS; (D) ANY AND ALL COSTS ASSOCIATED WITH ANY RECALL OR CORRECTIVE ACTION PLAN; OR (E) THE PERSONAL INJURY TO OR DEATH OF ANY PERSON, HOWEVER OCCURRING, THAT IS CAUSED BY ANY PRODUCT OR ANY DEFECT IN ANY PRODUCT, EXCEPT TO THE EXTENT THAT THE PRODUCT WAS MODIFIED BY THE COMPANY AFTER DELIVERY OF THE PRODUCT TO THE COMPANY AND BEFORE INCORPORATION OF THE PRODUCT INTO MERCHANDISE AND THE CLAIM RELATES TO SUCH MODIFICATION.

20.2 PRODUCT RECALL. IF COMPANY, SUPPLIER, OR ANY GOVERNMENTAL AGENCY HAVING JURISDICTION IDENTIFIES A DEFECTIVE PRODUCT, WHETHER BASED ON INFORMATION RECEIVED THROUGH CUSTOMER COMPLAINTS, WARRANTY RETURNS, INSURANCE CLAIMS OR PAYMENTS, PRODUCT LIABILITY CLAIMS OR LAWSUITS, REPORTS

OF PRODUCTION PROBLEMS OR PRODUCT TESTING, SUPPLIER WILL, AT ITS EXPENSE: (1) IMPLEMENT A CORRECTIVE ACTION PLAN THAT COMPLIES WITH APPLICABLE LAW AND IS ACCEPTABLE TO COMPANY; AND (2) NOTIFY ANY REQUIRED GOVERNMENTAL AGENCY OR AUTHORITY AND SUBMIT ALL REQUIRED REPORTS IN COMPLIANCE WITH APPLICABLE LAW. IF THERE IS OR SHOULD BE A RECALL OR CORRECTIVE ACTION PLAN, COMPANY WILL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO UNDERTAKE SUCH OBLIGATIONS IF COMPANY DETERMINES, AT ITS SOLE OPTION, THAT SUCH ACTIONS ARE REQUIRED BY APPLICABLE LAW OR OTHERWISE WARRANTED. THE PARTIES WILL COOPERATE IN ANY REPORTS OR CORRECTIVE ACTION PLAN UNDER THIS SECTION 20.2.

20.3 LOSSES AND EXPENSES. WITHOUT LIMITING THE INDEMNIFICATION SET FORTH IN SECTION 20.1 OR OTHER REMEDIES TO WHICH COMPANY MAY BE ENTITLED UNDER APPLICABLE LAW, COMPANY IS ENTITLED TO RECOVER ALL LOSSES AND EXPENSES WHICH MAY BE ATTRIBUTABLE TO SUPPLIER'S PROVISION OF THE PRODUCTS OR ITS PERFORMANCE UNDER THE AGREEMENT, INCLUDING BUT NOT LIMITED TO CONSEQUENTIAL DAMAGES IN CONNECTION WITH ANY THIRD-PARTY CLAIM BROUGHT PURSUANT TO SECTION 20.1, THE INTERRUPTION OF SUPPLIER'S BUSINESS OR OTHER SIMILAR OCCURRENCE PREVENTING COMPANY FROM OBTAINING PRODUCTS PURSUANT TO ITS PURCHASE ORDERS UNDER THE AGREEMENT, AND FOR HARM TO COMPANY'S MARKS AND THE GOODWILL ASSOCIATED THEREWITH.

21. Gratuities and Gifts, Conduct, and Employment

Matters. The Parties will not make or offer a gratuity or gift of any kind to either Parties' employees or their families that could be viewed as relating to an actual or potential business relationship with either Party. Gifts include entertainment, personal services, favors, discounts, and other preferential treatment of any kind. Either Party will interpret any such action as an improper attempt to influence its employees, which will jeopardize the Parties' relationship. For the avoidance of doubt, gifts do not include samples of Products in reasonable quantities provided by Supplier in furtherance of the Agreement or reasonable food and beverages at a meeting between Supplier and Company. Supplier and its employees will comply with all of Company's policies relating to ethical and professional conduct. Supplier will fairly compensate its employees by providing wages and benefits that are in compliance with all Applicable Laws of the jurisdictions in which Supplier is doing business or which are consistent with the prevailing local standards in the jurisdiction in which Supplier is doing business, if the prevailing local standards are higher. Supplier will maintain reasonable employee work hours in compliance with local standards and Applicable Laws of the jurisdictions in which Supplier does business or produces or transports Products. Supplier will comply with all Applicable Laws relating to provision of days off, vacation time, holidays, and leave privileges for employees. Supplier will not utilize forced or prison labor. Supplier will not employ a person younger than permitted by Applicable Law in the relevant jurisdiction; regardless of such Applicable Law, all of Supplier's employees will be over the age of 14 years, and Supplier will ensure that the ages of all employees are appropriately documented. Supplier will not discriminate in employment (including in recruitment, hiring, training, working conditions, job assignments, pay, benefits, promotions, discipline, termination and retirement) on the

basis of gender, race, ethnicity, social origin, religion, age, disability, sexual orientation, national origin, or political opinion. Supplier will not subject any of its or their employees to any physical, sexual, psychological or verbal harassment or abuse. Supplier will ensure that all of its employees have the right to establish and join legal organizations of their own choosing, without being penalized for the non-violent exercise of such rights. If and to the extent that these Terms and Conditions establish, with respect to employment, conduct or other matters covered by this Section 21, standards more strict than those prescribed by Applicable Law, Supplier will adhere to the stricter requirements set forth in this Section 21.

22. Insurance. During the Term and for a reasonable time thereafter related to the normal lifetime of the Products (but not less than seven years) with respect to Product Liability insurance, Supplier will, at its own expense and at all times, carry insurance of the types, in the amounts and with the coverages specified:

Comprehensive General Liability Insurance (occurrence form) Covering Bodily Injury, Property Damage, Advertising Injury, Personal Injury, Contractual Liability, Product Liability, and Completed Operations - Combined single limits, \$1,000,000 per occurrence.

Privacy and Network Security (Cyber Liability) covering System Attacks, Denial or Loss of Service Attacks, Spread of Malicious Software Code, Unauthorized Access and Use of Computer Systems, and Liability Arising from the Loss or Disclosure of Confidential Electronic Data - \$1,000,000 per occurrence.

Worker's Compensation - Statutory Limits or substantial equivalent.

Employers' Liability \$1,000,000 each accident/each employee.

Products Recall Liability - \$1,000,000 per occurrence.

Supplier's insurance coverage must cover product recalls.

The relevant policies must name the Company Indemnitees as additional insureds, and the policies must contain a standard separation of insureds provision. The relevant policies must also be endorsed to provide that coverage for the Company Indemnitees will be primary to and not contributory to any policies carried by Company. The relevant policies must contain an endorsement in which the insurance carrier waives any rights of subrogation with respect to the Company Indemnitees. All required insurance must be written by reputable, financially responsible companies that are duly licensed to operate within the jurisdictions in which Supplier has operations, and these insurance companies must have and maintain an A.M. Best's Financial Strength Rating of A- (Excellent) or better and Financial Size Category of X or higher. If at any time an insurance carrier providing coverage required under the Agreement falls below an A.M. Best's Financial Strength Rating of A- or Financial Size Category of X, Supplier will have ten days to replace coverage with a compliant carrier and provide evidence of such to Company. The required limits may be satisfied by a combination of primary and umbrella liability policies. Supplier may not satisfy any of its insurance obligations set forth in the Agreement through any self-insurance or self-insured retention in excess of \$10,000. Before producing any Products or providing any Related Services, Supplier must provide Company with evidence of this insurance in the form of certificates evidencing such coverage as well as endorsements reflecting the requirements of this Section 22 and all

language wherever found in the policies that relates to the determination of who is an additional insured, and the scope of the additional insured's coverage. Supplier must give 30 days' prior written notice to Company of any material changes in or termination of such policies. Company has the right, but not the obligation, to inspect any actual policies required under the Agreement for compliance with all specified coverage, terms, conditions, endorsements, and limits.

23. Anti-Terrorism and Anti-Bribery Laws. Supplier represents and warrants that neither Supplier nor any of its parents, Affiliates, representatives, agents or employees: (i) is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ofac/); (ii) is directly or indirectly owned or controlled by the government of any country that is subject to a United States embargo; (iii) acts, and none of them will act, directly or indirectly on behalf of the government of any country that is subject to a United States embargo; or (iv) has violated, and none of them will violate, any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the USA Patriot Act (text currently available at <http://www.epic.org/privacy/terrorism/hr3162.html>), U.S. Executive Order 13224 (text currently at <http://www.state.gov/j/ct/rls/other/des/122570.htm>), or any similar law. Supplier represents and warrants that Supplier, and its representatives, agents, and employees are, and during the Term will remain, in full compliance with Applicable Law, including but not limited to laws prohibiting

unfair, fraudulent, or corrupt business practices in the performance of Supplier's obligations under the Agreement and related activities, including but not limited to the making of any expenditures other than for lawful purposes or directly or indirectly offering, giving, promising to give or authorizing the payment or the gift of any money, or anything of value, to any person, while knowing or having reason to know that all or a portion of such money or thing of value will be given or promised, directly or indirectly, to any government official, official of an international organization, officer or employee of a foreign government or anyone acting in an official capacity for a foreign government, for the purpose of (a) influencing any action, inaction or decision of such official in a manner contrary to his or her position or creating an improper advantage; or (b) inducing such official to influence any government or instrumentality thereof to effect or influence any act or decision of such government or instrumentality. Supplier represents and warrants that no government official, official of an international organization, political party or official thereof, or candidate has any direct or indirect ownership or investment interest in Supplier's revenues or profits. Supplier understands, and has been advised by its legal counsel regarding, the requirements of all Applicable Laws, including those referred to above, the United States Foreign Corrupt Practices Act, or any other anti-corruption laws. Supplier acknowledges the importance to the Parties' relationship of its compliance with the requirements of this Section 23, including any applicable auditing or reporting requirements under Applicable Law. The foregoing are continuing representations and warranties, and Supplier will immediately notify Company in writing of any event or circumstances that might render any of the foregoing representations and warranties false, inaccurate, or misleading. Supplier will implement and enforce policies and procedures that meet or exceed the security practices

required by the Customs-Trade Partnership Against Terrorism (C-TPAT, available at www.cbp.gov or any other website designated by the U.S. Government).

24. Termination.

24.1 Breach by Supplier. Except as otherwise provided in the Agreement, if any Event of Default described below occurs, Company may terminate the Agreement immediately upon notice to Supplier, subject to any cure periods applicable to the Event of Default set forth below.

a. Supplier's failure or refusal to comply with the Product Specifications and failure to cure such default within 30 days following notice from Company.

b. Revocation or suspension of any necessary license (including any Federal Firearms License) or certification in whole or in part or Supplier's failure to comply with Applicable Law.

c. Supplier's failure to comply with any other provision of the Agreement (including the Terms and Conditions) or any written directive issued by Company pertaining to the matters address in the Agreement and failure to cure such default within 30 days following notice from Company.

d. The occurrence of three or more Events of Default under this Section 24.1 during any rolling 12-month period during the Term, regardless of whether such Events of Default are the same or related types of default or whether Supplier was delivered notice thereof or whether such Events of Default are or have been cured after notice.

e. Any Epidemic Failure, in which case Company may terminate the Agreement immediately upon notice to Supplier without permitting Supplier opportunity to cure such Event of Default.

f. If Supplier becomes insolvent, is adjudicated bankrupt, voluntarily files a petition for liquidation or reorganization under any provision of the United States Bankruptcy Code, or other similar bankruptcy law applicable to Supplier, makes an assignment for the benefit of creditors or takes any other action pursuant to any applicable insolvency statute; provided that in the event of any Supplier bankruptcy, the Agreement will terminate automatically.

24.2 Breach by Company. If Company fails to pay any undisputed amount due to Supplier pursuant to an invoice delivered to Company in accordance with Section 11, then Supplier will provide notice to Company of such default. If Company fails to cure its default within 30 days following Company's receipt of such notice from Supplier, then Supplier will have the right to terminate the Agreement immediately upon notice to Company.

24.3 Termination Upon a Force Majeure Event. If a Force Majeure Event materially and adversely affects Supplier's or Company's ability to perform its obligations under the Agreement and the Force Majeure Event continues for more than 30 days, either Party may terminate the Agreement immediately upon notice to the other Party.

24.4 Termination for Convenience. Company may terminate the Agreement without cause upon 60 days' written notice to Supplier. If Company terminates the Agreement for convenience, Company will, upon receipt of accurate and satisfactory documentation, pay to Supplier Supplier's costs incurred for Work in Progress that is specific to any Purchase Order(s) delivered to Company and for which Supplier delivered to Company a Purchase Order Confirmation prior to the date of Company's notice of termination under this Section 24.4, but only to the extent Supplier cannot use the Work in Progress for any other

purpose. All Work in Progress paid for by Company under this Section 24.4 will be considered Company's property, and Supplier will either finish such Work in Progress and deliver the Products, deliver such Work in Progress, or dispose of the Work in Progress, as directed and in accordance with Company's instructions.

25. Force Majeure. Neither Party will be held responsible for failure to perform its obligations under the Agreement including these Terms and Conditions or any Purchase Order due to a Force Majeure Event to the extent and for the length of time that performance is rendered impossible or commercially impractical; provided, however, upon the occurrence of a Force Majeure Event, the Party that is unable to perform its obligations hereunder will promptly notify the other Party in writing of the existence, nature, and expected duration of the Force Majeure Event and use all reasonable efforts to overcome the effects of the Force Majeure Event and resume performance as soon as reasonably practicable. If the Force Majeure Event continues beyond 30 days, either Party may cancel the Agreement pursuant to Section 24.3.

26. Dispute Resolution.

26.1 Negotiation. Before submitting any claim, controversy, or dispute arising out of the Agreement to arbitration, litigation, or other legal proceedings (except actions seeking extraordinary relief, i.e., specific performance or an injunction), the complaining Party will provide written notice to the other of the claim, controversy, or dispute, and each Party will, as promptly as practical, appoint one or more senior executives with authority to settle such claim, controversy, or dispute who will meet with each other in good faith for the purpose of resolving the claim, controversy, or dispute.

26.2 Mediation. Except for actions seeking extraordinary relief, if the Parties are unable to resolve any claim, controversy or dispute by negotiation in accordance with Section 26.1 within 30 days of a Party providing written notice of the claim, controversy or dispute, then either Party may deliver to the other Party written notice of its intention to commence mediation in accordance with this Section 26.2, which it must do before commencing proceedings with respect to the claim, controversy or dispute. The Parties will endeavor to settle the claim, controversy or dispute by mediation by first jointly selecting an independent and neutral third party to be the mediator. If the Parties fail to select the mediator within 15 days following delivery of the written notice of intention to commence proceedings with respect to a claim, controversy or dispute in accordance with this Section 26.2, a mediator will be selected by the American Arbitration Association from its approved panel of mediators. The mediation will be conducted within 30 days of the selection of the mediator in the Dallas, Texas metropolitan area or such other location expressly agreed to by the Parties. Company and Supplier will be responsible for their respective attorneys' fees and costs and share equally the fees and costs of the selected mediator. If the claim, controversy or dispute is not resolved by mediation in accordance with this Section 26.2 within 60 days following the selection of a mediator in accordance with the foregoing, either Company or Supplier may elect to pursue available remedies with respect to the claim, controversy or dispute in accordance with these Terms and Conditions.

26.3 Arbitration. Except for actions seeking extraordinary relief, if the Parties are unable to resolve any claim, controversy or dispute as set forth in Section 26.2, the dispute will be finally determined by binding arbitration administered by the American Arbitration Association in the Dallas, Texas metropolitan area, in accordance with its

then-current Expedited Procedures of its Commercial Arbitration Rules, except as otherwise provided in these Terms and Conditions. The arbitration is to be conducted by a sole arbitrator, jointly selected by the Parties. If the Parties fail to agree upon the arbitrator within 30 days after the commencement of the arbitration, then the American Arbitration Association administrator will appoint the arbitrator. The arbitrator has authority to resolve disputes as to arbitrability and the arbitrator's jurisdiction. Except as provided herein, and without limiting the noncompliance remedies available herein, the arbitrator will have the authority to award any interim, provisional, or final remedy or relief that any court of competent jurisdiction in the State of Texas could order or grant, including, without limitation, general damages, specific performance, injunctive or other extraordinary relief, or the imposition of sanctions for abuse or frustration of the arbitration process. Any arbitration award will be final and binding and will be paid within 30 days of the issuance of the arbitrator's award. Any judgment upon an award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction thereof. The arbitration costs and attorneys' fees for the Party that principally prevails will be paid by the Party that does not principally prevail in the arbitration. If a Party fails to comply with the provisions of this Section 26.3, or with an order, award, or determination of the arbitrator, then such noncomplying Party will be liable for all costs and expenses, including court administrative costs, incurred by a prevailing Party in its effort to obtain either an order to compel, or recognition or enforcement of an award, from the arbitral panel or from a court of competent jurisdiction.

26.4 Injunctive or Provisional Relief or Enforcement.

Notwithstanding the above, either Party may elect to apply to a court of competent jurisdiction to seek interim or provisional injunctive, equitable, or other extraordinary relief

or its equivalent with respect to any matters contemplated by the Agreement.

26.5 Governing Law and Venue. The laws of New York (without giving effect to any conflict of laws) will govern the Parties' relationship and the interpretation and enforcement of the Agreement. Company and Supplier acknowledge and agree that the activities contemplated under the Agreement occur in New York. With respect to all suits, actions or other legal proceedings under the Agreement, except as provided in Section 26.3, each of the Parties submits to the exclusive jurisdiction of the U.S. District Court for the Eastern District of New York and the courts of Suffolk County, New York. Company and Supplier each agrees that such courts are a reasonable venue and waives and agrees not to assert by way of motion, defense or otherwise, any claims that it is not subject to the jurisdiction of such courts, that such suit is brought in an inconvenient forum or that the venue of the suit is improper.

26.6 Limitation of Actions. Any claims between the Parties must be commenced within two years from the date on which the Party asserting the claim knew or should have known of the facts giving rise to the claim, or such claim will be barred.

26.7 JURY TRIAL WAIVER. ALL PARTIES WAIVE ANY RIGHT TO HAVE ANY ACTION TRIED BY JURY.

26.8 Confidentiality of Proceedings. Except as necessary to obtain interim or provisional relief or to enforce any arbitration award, neither Party nor any mediator or arbitrator may disclose the existence, content, or results of any settlement negotiations, mediation, or arbitration hereunder without the prior written consent of both Parties.

26.9 No Class Action or Consolidation. Any actions related to a dispute will be conducted on an individual basis, and not as part of a common, consolidated, or class action; provided, if multiple claims are brought by Company, having common claims and interests, Company may have the claims consolidated into a single proceeding.

26.10 Claims Not a Defense; Effect on Performance. Any claims Supplier may have against Company or any of its Affiliates, whether or not arising from the Agreement, will not constitute a defense to the enforcement by Company or any of its Affiliates of any of its rights under the Agreement. Further, the filing of a suit, action or other legal proceeding will not operate to stay, postpone or rescind the effectiveness of any demand for performance or notice of termination.

27. Freedom of Action. The Agreement will not limit Company's right to develop, procure and market any products or services whatsoever through any channel of distribution or to any customer or through any supplier, now or in the future, including any products which are the same as or which may be competitive with the Products. Company retains the right to obtain the Products, and any other products or services, from any source Company determines at its option, including, without limitation, from Supplier's competitors.
28. Entire Agreement; Amendments. The Agreement and all Schedules attached to the Agreement, including, without limitation, these Terms and Conditions, and any Purchase Orders submitted by Company pursuant thereto represent the entire agreement between the Parties regarding the Products and Related Services and supersede all prior discussions, agreements, and understandings of every kind between the Parties.

29. Notices and Correspondence. Except as otherwise provided herein, all notices, requests, consents, and approvals under the Agreement will be in writing and will be deemed to have been properly given upon actual or attempted delivery by certified mail, postage prepaid, return receipt requested, or overnight courier service providing delivery confirmation, to the address of the Party as set forth in the Agreement or at such other address as any of the Parties hereto from time to time may have designated by written notice to the other Party.
30. Severability. If any provision contained in the Agreement is deemed illegal or unenforceable, such provision: (a) will be construed in a manner to enable it to be enforced to the extent permitted by Applicable Law; and (b) will not affect the validity and enforceability of any other provision.
31. Assignment. Company may assign or transfer its rights and interest in the Agreement or any Purchase Order to any third party, including, without limitation, Company's Affiliates, without Supplier's consent. Supplier may not assign or transfer its rights or interest in the Agreement or any Purchase Order to any third party, including Supplier's Affiliates, without Company's prior written consent. If Supplier merges with, acquires, or is acquired by a third party, Supplier will promptly provide notice to Company of such merger or acquisition and Company will have the option to terminate the Agreement without liability to Supplier.
32. Survival. All terms which by their nature survive any termination or expiration of the Agreement will survive any termination or expiration of the Agreement, including, without limitation: Section 12 (Warranty); Section 14 (Intellectual Property Rights); Section 16 (Covenant Not to Compete); Section 17 (Confidential Information); Section 20 (Indemnification, Product Recall, and Losses and Expenses); and Section 26 (Dispute Resolution).

33. Independent Contractor. Supplier is an independent contractor and not an employee, partner, or agent of Company. Neither Party will have authority to commit or create any liability on the part of the other in any manner whatsoever. Personnel retained or assigned by Supplier to perform work under the Agreement will at all times be considered employees, agents, or contractors of Supplier, and at no time employees, agents, contractors, or partners of Company or its Affiliates, and Supplier will be fully responsible for compensation, payroll taxes, workers' compensation insurance coverage, and any other legal requirements associated with employment.
34. Third Party Beneficiaries. The Agreement is solely for the benefit of the Parties hereto and will not confer upon third parties any remedy, claims, actions, or other right except as specifically conferred upon Company Indemnitees in Sections 20.1 and 22 above.
35. Waivers. The failure of either Party at any time to require performance by the other Party of any of the provisions herein will not operate as a waiver of the right of a Party to require strict performance of the same or like provisions, or any other provisions hereof, at a later time.
36. Cumulative Remedies. Each right and remedy hereunder is cumulative with each and every other right and remedy herein or in any other agreement between the Parties or under Applicable Law.