



PURCHASE ORDER TERMS AND CONDITIONS:

THESE TERMS AND CONDITIONS ("TERMS") SHALL CONSTITUTE A PART OF THIS OFFER BY ZIPPO MANUFACTURING COMPANY OR ANY OF ITS SUBSIDIARY COMPANIES, INCLUDING BUT NOT LIMITED TO W.R. CASE & SONS CUTLERY COMPANY OR NORHTERN LIGHTS ENTERPRISES, INC. ("BUYER") TO PURCHASE THE GOODS ("GOODS") OR SERVICES ("SERVICES") (IF ANY) SPECIFIED ON THIS PURCHASE ORDER ("ORDER") FROM THE PARTY TO WHOM THE ORDER IS ADDRESSED ("SELLER"), AND ANY ACCEPTANCE OF THIS ORDER SHALL BE DEEMED TO BE GIVEN SUBJECT TO THESE TERMS. THESE TERMS PREVAIL OVER ANY TERMS OR CONDITIONS CONTAINED IN ANY DOCUMENT ISSUED BY SELLER IN CONNECTION WITH THIS ORDER, AND ACCEPTANCE OF THE ORDER IS EXPRESSLY CONDITIONED UPON ACCEPTANCE OF ALL THESE TERMS. ANY CONTRARY TERMS IN ANY SELLER DOCUMENT ARE DEEMED TO BE MATERIAL AND ARE REJECTED. IF THE PARTIES HAVE ENTERED INTO A SEPARATE WRITTEN CONTRACT FOR THE SALE OF GOODS HEREUNDER, IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS AND CONDITIONS OF SUCH CONTRACT AND THE TERMS AND CONDITIONS OF THESE TERMS, THE TERMS AND CONDITIONS OF THE CONTRACT SHALL CONTROL. THESE TERMS APPLY TO ANY REPAIRED OR REPLACEMENT GOODS OR SERVICES PROVIDED BY SELLER HEREUNDER. SPECIFIC TERMS INSERTED BY BUYER INTO THE ORDER DOCUMENT SHALL PREVAIL OVER CONTRARY TERMS HEREIN.

ACCEPTANCE AND TERMINATION

This Order is not binding on Buyer until Seller accepts the Order in writing. Buyer may withdraw the Order at any time before it is accepted by Seller. Buyer may terminate this Order, in whole or in part, at any time and for any reason for undelivered Goods on five (5) days' prior written notice to Seller. Buyer may terminate this Order with immediate effect upon written notice to the Seller, either before or after the acceptance of the Goods, if Seller has not performed or complied with any of these Terms. If Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then Buyer may terminate this Order upon written notice to Seller. If Buyer terminates the Order, Seller's sole and exclusive remedy is payment for the Goods received and accepted by Buyer prior to the termination. No change to this Order is binding upon Buyer unless it is in writing, specifically states that it amends this Order, and is signed by an authorized representative of Buyer.

COMPLIANCE WITH THE LAW

Seller is in compliance with and shall comply with all applicable laws, regulations and ordinances, including but not limited to laws related to product safety, environmental, labor, and anti-corruption/anti-bribery. Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Order. Seller shall comply with all export and import laws of all countries involved in the sale of Goods under this Order. Seller assumes all responsibility for shipments of Goods requiring any government import clearance.

INSPECTION

Buyer shall have the right to inspect Goods on or after the Delivery Date (as defined below). Buyer may reject or revoke its acceptance of any Goods which do not strictly conform to specifications or are more or less than the quantity of the Goods ordered, and such Goods may be returned at Seller's risk and expense. If Buyer rejects any portion of the Goods, Buyer has the right to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require prompt replacement of the rejected Goods at the Seller's expense. If Buyer accepts the delivery of Goods at an increased or reduced quantity to the quantity ordered, the Price for the Goods shall be adjusted on a pro-rata basis.

SHIPMENT

All Goods shall be packed for shipment according to Buyer's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Packing slips must accompany each case, parcel or container, showing the Buyer's order number, item number, and a complete description of its contents. Seller shall deliver the Goods in the quantities and on the date(s) specified in this Order (the "Delivery Date"), in accordance with the terms on the face of this Order and to the address listed on this Order ("Delivery Location"). Timely delivery of the Goods is of the essence. If a tender of conforming Goods is not made by the Delivery Date, Buyer can cancel this Order or any unfilled portion thereof, and Seller shall hold harmless Buyer against any loss, cost or expense directly attributable to Seller's failure to deliver the Goods on the Delivery Date. Seller shall promptly notify Buyer in writing of any anticipated delay in Delivery Date, and Buyer reserves the right to require Seller to expedite delivery at Seller's expense. Title passes to Buyer upon delivery of the Goods to the Delivery Location. Seller bears all risk of loss or damage to the Goods until delivery of the Goods to the Delivery Location. Buyer shall not be obliged to return to Seller any packaging or packing materials for the Goods, whether or not any Goods are accepted by the Buyer.

PRICE

The price specified on this Order shall constitute the purchase price for the Goods and shall include all fees and costs related to the Goods including but not limited to packaging, transportation, insurance, and taxes. The price includes all federal, state and local taxes imposed upon or on account of such sale, and Seller shall pay any taxes. If price is omitted on this Order, the price shall be the lower of the last quoted price, the last price actually paid or the prevailing market price of the Goods. Seller shall issue an invoice to Buyer on or any time after the completion of delivery of the Goods to Buyer. Buyer shall pay all properly invoiced amounts due to Seller within 45 days after the later of delivery of all Goods or Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith. All payments



hereunder will be in US dollars unless specified to the contrary on the face of this Order. Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller.

WARRANTIES

Seller warrants to Buyer that all Goods and Services will: (a) be new, unused and free from any defects in workmanship, material and design; (b) conform to applicable specifications; (c) be safe and fit for the purpose for which they ordinarily are intended and also for any use specified by Buyer and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances; (f) comply with all laws, statutory requirements and regulations relating to the manufacture, sale, content or labelling of the Goods or warnings related thereto or to the delivery of the Services, conform with all applicable Federal and State laws including but not limited to those pertaining to labeling, packaging, labor or occupational health and safety standards, and conform to all applicable industry standards or guidelines; and (g) not infringe or misappropriate any third party's patent or other intellectual property rights. Seller further warrants that any Services will be performed by appropriately qualified and trained personnel, with due care and diligence and to such high standard of quality as it is reasonable for Buyer to expect in the circumstances. These warranties shall survive any delivery, inspection, acceptance or payment of or for the Goods by Buyer. These warranties are cumulative and in addition to any other warranty provided by law or equity.

TOOLS

Tools, including dies and patterns, owned by the Buyer and held by the Seller must be repaired, renewed, replaced and fully insured by the Seller at Seller's expense against possible loss or damage. Changes must be approved by Buyer. When the cost of tools involved in the manufacture of Goods is included in the price per unit or separately billed, such tools become the property of Buyer upon the payment thereof, unless otherwise specifically agreed to. All tooling owned by Buyer shall be marked as such and shall not be mixed with the property of Seller. Upon demand by Buyer, Seller will deliver all or any of such tools, including dies and patterns, to Buyer, at Seller's expense.

INDEMNIFICATION

Seller shall, at its own expense, defend, indemnify and hold harmless Buyer, its officers, agents, employees, successors, affiliates, assigns and users of the Goods (collectively, "Indemnitees") from and against any and all loss, injury, death, damage, liability, claim, including reasonable attorney and professional fees and costs (collectively, "Losses") arising out of or in connection with: (a) the Goods or Services; (b) Seller's negligence, willful misconduct, or breach of these Terms; (c) any claim that an Indemnitee's use, possession or sale of the Goods or any part contained therein infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party; or (d) any act or omission of any of the Seller's personnel or representatives in connection with the performance of the Services. If this Order requires Seller to perform, in whole or in part, on Buyer's premises, Seller will indemnify, defend and hold harmless Buyer from and against any Losses of any nature arising or claimed to arise out of such performance by Seller.

INSURANCE

During the term of this Order and for a period of thirty-six (36) months thereafter, Seller shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to, commercial general liability (including product liability and products completed operations) in a sum no less than US\$1,000,000 per occurrence and US\$3,000,000 (or equivalent in Seller's currency) in the aggregate and worldwide defense and claim coverage, with financially sound and reputable insurers. Upon Buyer's request, Seller shall provide Buyer with a certificate of insurance from Seller's insurers evidencing the insurance coverage specified in this Order. Each certificate of insurance shall evidence that Buyer is as an additional insured under all applicable policies. Seller shall provide Buyer with thirty (30) days' advance written notice in the event of a cancellation or material change in Seller's insurance policy. Seller's insurance shall be primary and non-contributory, and except to the extent prohibited by law, Seller shall require its insurer to waive all rights of subrogation against Buyer's insurers and Buyer and the Indemnitees.

GOVERNING LAW

All matters arising out of or relating to this Order shall be governed by and construed in accordance with the internal laws of the Commonwealth of Pennsylvania, USA, without giving effect to any choice or conflict of law provision. Any action or proceeding arising out of or relating to this Order shall be instituted in the federal courts of the United States of America or the courts of the Commonwealth of Pennsylvania, in each case located in or with jurisdiction over the County of McKean, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The United Nations Convention on Contracts for the International Sale of Goods does not apply.

ANTI-BRIBERY; FCPA

Seller shall at all times conduct its activities in accordance with all applicable laws, rules, regulations and orders related to anti-bribery or anti-corruption legislation including, but not limited to, the U.S. Foreign Corrupt Practices Act of 1977 and all national, state, provincial or territorial anti-bribery and anti-corruption statutes. Accordingly, Seller shall make no offer, payment or gift, will not promise to pay or give, and will not authorize, directly or indirectly, the promise or payment of, any money or anything of value to any Buyer employee or agent, any government official, any political party or its officials, or any person while knowing or having reason



to know that all or a portion of such money or item of value will be offered, given or promised for the purpose of influencing any decision or act to assist Seller or Buyer or otherwise obtaining any improper advantage or benefit.

APPLICATION OF LABOR AND EMPLOYMENT STANDARDS

Seller will not use child labor in the manufacturing, packaging or distribution of the Goods. The term “Child” refers to a person younger than the local legal minimum age for employment or the age for completing compulsory education, but in no case will any child younger than sixteen (16) years of age be employed in the manufacturing, packaging, or distribution of Goods. Where employing young persons who do not fall within the definition of “Child”, Seller agrees also to comply with any laws applicable to such persons.

Seller will only employ persons whose presence is voluntary. Seller will not use any forced or involuntary labor, whether prison, bonded, indentured or otherwise. Seller will treat each employee with dignity and respect and will not use corporal punishment, threats of violence, or other forms of physical, sexual, psychological or verbal harassment or abuse. Seller will not discriminate in hiring and employment practices, including salary, benefits, advancement, discipline, termination or retirement, on the basis of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion or disability.

Seller will comply, as a minimum, with all applicable wage and hour laws, including minimum wage, overtime, maximum hours and other elements of compensation, and will provide legally mandated benefits. If local laws do not provide for overtime pay, Seller agrees to pay at least regular wages for overtime work. Except in

extraordinary business circumstances, Seller will not require employees to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by local law, or where local law does not limit the hours of work, the regular work week in such country plus 12 hours overtime. In addition, except in extraordinary business circumstances, employees will be entitled to at least one day off in every seven-day period. Where local industry standards are higher than applicable legal requirements, Seller will meet the higher standards.

Seller will provide employees with a safe and healthy workplace in compliance with all applicable laws, ensuring, at a minimum, reasonable access to potable water and sanitary facilities, fire safety, and adequate lighting and ventilation. Seller will ensure that the same standards for health and safety are applied in any housing they provide for employees. Seller will provide Buyer with any and all information it may request about manufacturing, packaging and distribution facilities for the Goods. Seller will respect the rights of employees to associate, organize and bargain collectively in a lawful and peaceful manner, without penalty or interference, in accordance with applicable laws.

Seller agrees that Buyer and its designated representatives may engage in monitoring activities to confirm compliance with these criteria for engagement, including unannounced on-site inspections of manufacturing, packaging and distribution facilities, and employer-provided house, such inspections to include reviews of books and records in relation to employment matters and private interviews with employees. Seller will provide Buyer with access to all sites reasonably requested by Buyer to perform and exercise its rights of inspection hereunder. Seller agrees to maintain on-site documentation necessary to demonstrate compliance with these criteria, which Buyer and its agent may review, make and retain extracts of, to assist the compliance monitoring.

PRODUCT INFORMATION

Upon request, Seller shall provide to Buyer current, complete and accurate information regarding Goods and Seller’s compliance with laws and the terms of the Order, including but not limited to regulatory compliance and safety information and any related certifications, and Seller shall provide prior written notice if the content or the manufacturing processes of the Goods are changed or if applicable laws or regulations are updated or changed in a manner that affects any previously provided information or certifications.

GENERAL

Seller shall not, either during or after the term of this Order, manufacture any other products or merchandise utilizing Buyer’s name and/or marks or the name or marks of its affiliated companies. No waiver by any party of any of the provisions of the Order shall be effective unless explicitly set forth in writing and signed by an authorized officer of the party so waiving. No failure to exercise, or delay in exercising, any rights or remedy arising from the Order shall be construed as a waiver thereof. All non-public, confidential or proprietary information of the Buyer disclosed by Buyer to Seller in connection with the Order is confidential, solely for the use of Seller in performing the Order and may not be disclosed or copied or used for any other purpose. Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of Buyer. The relationship between the parties is that of independent contractors. If any term or provision of this Order is held to be invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Order or invalidate or render unenforceable such term or provision in any other jurisdiction. If the Goods are to be delivered, or the Services are to be performed, by installments, the Contract will be treated as a single contract and not severable.