

Maugus Manufacturing Incorporated doing business as National Novelty Brush Company (NNBC / MMI) Purchasing Terms & Conditions

1. NNBC / MMI Offer and Seller's Acceptance:

These Purchasing Terms and Conditions (“Agreement”) constitute an offer to purchase goods identified on NNBC/MMI’s purchase order (P.O.) from you, the supplier (“Supplier”) on the terms stated herein and to the exclusion of all other terms and conditions, including any terms or conditions which Supplier may purport to impose or which appear on any web site, quotation, sales document, invoice, order confirmation, correspondence or other document or communication provided by Supplier, irrespective of their date of communication. Acceptance of this offer is expressly limited to the terms stated in this Agreement, and this Agreement becomes a binding contract on the terms set forth herein when it is accepted by Seller either by acknowledgement or by the commencement of performance. NNBC / MMI hereby rejects any prior offer made by Supplier to sell the Goods, and objects to and rejects any additional or different terms proposed by Supplier with respect to the subject matter of this Agreement, including, but not limited to, all Supplier limitations of liability, limitation of implied warranties, time periods for inspection or making a claim, and requirements for NNBC/MMI to indemnify Supplier. No revision to this Agreement shall be valid unless in writing and signed by an authorized representative of NNBC/MMI.

2. Shipping Instructions:

Whenever requested to do so, Supplier will identify the Goods in the manner specified by NNBC / MMI, including the requirement to bar code label master cartons and individual pack containers according to our provided specifications. Supplier shall properly and carefully package the Goods in strict accordance with NNBC / MMI instructions, if any, and in all cases, in a manner appropriate for the Goods so as to minimize risk of damage in transit. Packing slips must accompany the shipment. Invoices, packing slips and containers must bear the P.O. number, stock number, vendor lot number, and description of Goods in a clearly visible position. Invoices and packing slips must be marked “complete” when final shipment is involved. NNBC / MMI shall have the right at any time to specify the carrier or method of transportation, and agrees, unless necessitated through fault or choice of Supplier, to compensate Supplier for the excess cost of any specific transportation over the transportation cost for shipment in the manner specified in the P.O. NNBC / MMI shall also have the right to require special, express or air shipments if Supplier fails or will fail to meet the delivery requirements of the P.O., and Supplier shall pay or reimburse NNBC / MMI for any resulting additional transportation costs. Unless expressly stated otherwise, Goods are to be shipped DDP NNBC / MMI dock and must be shipped to assure arrival at “ship to” point free of damage and deterioration. Notwithstanding anything in the foregoing to the contrary, title to and risk of loss of the Goods shall pass to NNBC / MMI only upon receipt of the Goods by NNBC / MMI, and any rightful rejection or revocation of acceptance of any Goods by NNBC / MMI shall immediately shift the risk of loss of such Goods, wherever located, to Supplier. Supplier agrees that any contrary provisions of sections 2-509 and 2-510 or other provisions of the UCC or other Applicable Law shall not apply to the Agreement. No charges will be allowed for boxing, packaging or cartage unless agreed upon in writing or set forth specifically in the P.O. All containers, pallets, drums or like packaging materials must be in good condition, clean, free of insects, rodents and foreign material and adequate for the purpose intended and if they are to be returned, must be shipped by Supplier on a no charge or consignment basis. Wood packing used for international shipments must meet current ISPM requirements as established by the International Plant Protection Convention. Supplier will comply in all respects with importation requirements and provide all necessary documents and information required to facilitate importation of Goods. Supplier will be responsible

to pay all tariffs, duties and taxes related to the export and import of Goods and freight costs to NNBC / MMI dock. Any further impositions that NNBC / MMI agreed to pay under a P.O. shall be separately identified on Supplier's invoice.

3. Supply Chain Security:

Supplier's facilitating the movement of goods into the U.S. must ensure adherence with the Customs-Trade Partnership Against Terrorism (C-TPAT) requirements and maintain a written security plan in accordance with such requirements addressing: container security and inspection, physical access controls, personnel security, procedural security, security training and threat awareness, and information technology security.

4. Delivery:

Deliveries must be made at the times specified in the P.O. unless NNBC / MMI is promptly notified and agrees in writing to alternate dates. Time is of the essence; Goods not timely delivered are non-conforming and shall constitute a breach of the P.O. notwithstanding any other provision of these Terms and Conditions that may allow Supplier to replace nonconforming Goods. Supplier also agrees to pay whatever additional cost, expense, loss or damage NNBC / MMI sustains as a result of any delay or any other deviation from the required delivery terms in addition to any other damages or relief to which NNBC / MMI may be entitled. Any consequent delay beyond the date for delivery stated in the P.O. shall be a breach of the P.O. Unless by special arrangement authorized in writing by NNBC / MMI, NNBC / MMI shall not be liable for material processed in excess of fabricating, processing or shipping instructions issued by NNBC / MMI. Any over-shipments are made at Supplier's risk and shall be a breach of the P.O., including minimum requirements, without advance written agreement, and NNBC / MMI reserves the right to reject and return the same at Supplier's expense. NNBC / MMI shall have the right to cancel any future delivery under a P.O. for any reason upon ten (10) days' notice to Supplier.

5. Inspection and Rejection:

Supplier shall provide and maintain an adequate inspection system covering the supplies, processing methods, special tooling, materials, workmanship, and final Goods ordered under the P.O. Supplier shall make its inspection records of all work and materials available to NNBC / MMI during the performance of the P.O., and for two (2) years thereafter. NNBC / MMI shall have the reasonable right and opportunity to inspect and test all supplies, processing methods, special tooling, materials, workmanship and final Goods ordered under the P.O. to the extent practicable at all times and places, including during the periods of manufacture. NNBC / MMI shall not be deemed to have accepted any Goods until the expiration of a reasonable period of time for inspection after delivery which period of time shall not be less than ninety (90) days after delivery, and NNBC / MMI may thereafter reject or revoke acceptance of nonconforming Goods. Supplier acknowledges and agrees that NNBC / MMI may inspect any commercial lot of Goods consisting of numerous units of the same product by inspecting only a reasonable sampling of such units and that NNBC / MMI may reject or revoke acceptance of any other units of such commercial lot which NNBC / MMI at a later time discovers to be nonconforming. If any Goods delivered are nonconforming in materials or workmanship or otherwise, NNBC / MMI shall have the right, notwithstanding payment or any prior inspection or test, either to reject or revoke acceptance of such nonconforming Goods and to require that Supplier promptly replace or correct any such nonconforming Goods at Supplier's expense. If Supplier fails to promptly replace or correct such Goods after NNBC / MMI requests Supplier to do so, NNBC / MMI, in its sole and absolute discretion, either may (i) by contract or otherwise, replace or correct such Goods and charge to Supplier the increased cost occasioned to NNBC / MMI thereby; (ii) accept the delivery of such Goods, or accept such service, subject to a reduction in price reflecting the reduced value attributable to nonconformance; or (iii) effect a cancellation for default subject to payment by

Supplier to NNBC / MMI of any damages resulting from such failure, as provided in section 13. Supplier assumes all transportation and handling costs and the risk of damage to or loss of nonconforming Goods.

6. Warranty:

Supplier represents and warrants that all Goods: (i) will conform in all respects to the specifications provided by NNBC/MMI or, in the absence of such specifications, to Supplier's published specifications for the Goods ("Specification"); (ii) will be properly labeled to disclose all materials used therein and will include all necessary instructions or recommendations relating to the handling, assembly, use and storage of the Goods; (iii) will be free of lead paint and other chemicals and substances prohibited, restricted or limited by any Applicable Law ("Restricted Substances") unless Supplier specifically discloses to NNBC / MMI in writing the presence and quantity of such Restricted Substances and NNBC / MMI agrees in writing to accept the Goods with such Restricted Substances; (iv) will, in all respects, conform to all Applicable Laws and are not articles that cannot, by Law, be introduced into interstate commerce; (v) will be manufactured in compliance with all Applicable Laws; (vi) will be merchantable, of good quality and workmanship, free from defects and fit for the purposes intended; (vii) will not be manufactured in whole or in part by any subcontractor unless approved in writing in advance by NNBC / MMI; (viii) will not infringe the patent, trademark, copyright, trade dress or other intellectual property rights of any person; and (ix) if imported, will be properly marked with the country of origin as required by local customs law.

Supplier represents and warrants that Supplier complies with all Applicable Laws in conducting its business and requires that any suppliers of materials used in the Goods comply with all Applicable Laws.

NNBC / MMI reserves the right at any time to make changes in the Specifications. Any increase in cost to Supplier or time for performance resulting from such changes shall be equitably addressed by NNBC/MMI, and the P.O. shall be so modified. Supplier agrees to supply to NNBC / MMI safety data sheets, certificates of compliance and all other documents and information required to be supplied under the P.O. or under Applicable Laws with respect to the Goods prior to delivery thereof, and Supplier shall provide updates when changes are made to these documents or at any time upon NNBC / MMI request.

7. Certification:

Supplier warrants that it will provide all appropriate certification(s) that the Goods comply with Specifications to NNBC / MMI satisfaction. Where applicable, Supplier shall provide a certification of compliance with FDA regulations for certain conditions of use and compliance with Good Manufacturing Practices to NNBC / MMI purchasing department. If any of the Goods are subject to the provisions of the Federal Food Drug and Cosmetic Act (FDCA), Supplier will provide a signed guaranty consistent with the requirements of 21 U.S.C. 303(c) and 21 CFR. 7.13 certifying that the Goods are not adulterated or misbranded within the meaning of the FDCA and are not articles which may not, under the provisions of sections 404, 505, or 512 of the FDCA, be introduced into interstate commerce. Supplier certifies that neither it nor its principals (owners/senior officials) nor any subcontractor used in relation to the Goods supplied to NNBC / MMI are debarred or suspended from U.S. Government procurement programs under the rules prescribed by 48 CFR 9.4. Supplier shall promptly (within 15 days) notify NNBC / MMI of any change in this status, including Supplier's receipt of any notice proposing Supplier for debarment or suspension from U.S. Government procurement programs. Supplier accepts all responsibility for the information provided on any document certifying the country of origin or qualification for trade preference upon import for all Goods and agrees to provide supporting documents for such claims including appropriate letters, affidavits, and production and financial records as deemed necessary. Anticipated and actual changes to the country of origin or claimed eligibility under a trade preference must be

immediately communicated to NNBC / MMI . Any liabilities resulting from import claims made with inaccurate or incomplete data related to origin and trade preference are the responsibility of Supplier.

8. Ethics and Compliance

All suppliers to NNBC /MMI are expected to conduct their businesses in accordance with the highest standards of ethical behavior and in accordance with Applicable Laws.

9. Intellectual Property/License/Confidential Information:

All information conveyed by NNBC / MMI regarding prices, costs, discounts, inventions, planned and existing products, packaging, customers and distributors as well as information regarding NNBC / MMI business or finances, production methods, know-how and other information used by NNBC / MMI is proprietary and confidential and, to the extent that the Goods include or embody any of NNBC / MMI intellectual property, including trademarks, service marks, trade dress, copyrighted material or any other material, information or data which, in the form and manner presented, are proprietary to NNBC / MMI. All such information and intellectual property shall be deemed “Confidential Information” and, as applicable, trade secret information, and Supplier shall have only a limited, temporary, revocable, non-exclusive license (not including any have-made license) to use the Confidential Information only for the time period and to the extent necessary to complete the P.O. Supplier must: (i) employ safeguards at least as stringent as it employs for protection of its own confidential information but no less than a reasonable degree of care to protect such Confidential Information; (ii) not permit the use or disclosure of any Confidential Information to any person other than those employees of Supplier who have a need to know to fulfill the P.O.; (iii) not reproduce, copy, reverse compile, reverse engineer or misuse or misappropriate any Confidential Information and (iv) promptly report to NNBC / MMI in writing any attempted use of the Confidential Information in violation of this section. When no longer required to fulfill the P.O., Supplier will return such Confidential Information or destroy it and provide acceptable proof thereof as NNBC / MMI directs. Supplier acknowledges that any breach of the provisions of this section would cause irreparable harm and therefore NNBC / MMI, in addition to all other relief available at law or in equity or under the P.O., shall be entitled to seek equitable relief including injunctions and any other or additional relief available under the Uniform Trade Secrets Act as enacted in the Commonwealth of Pennsylvania, including attorney’s fees even if the Confidential Information under consideration does not amount to a trade secret under that act.

10. Indemnity:

Supplier agrees to defend, indemnify and hold harmless NNBC / MMI its affiliates, related companies, and customers, and their respective directors, officers, shareholders, employees, contractors and agents (collectively, the “NNBC / MMI Parties”) from and against any and all losses, costs (including attorneys’ fees) claims, damages, expenses or liabilities (“Claims”) against or incurred or paid by the NNBC / MMI Parties arising out of or otherwise relating to: (a) breach of any representation or warranty of Supplier; (b) any missing or incorrect certification required or provided pursuant to this Agreement; (c); (d) claims that the Goods infringe, or their importation, use or resale, infringes the intellectual property rights of any other person; (e) claims arising out of the negligent or intentional wrongdoing of Supplier or its servants, employees, independent contractors, agents or representatives; and (f) breach of Applicable Law or this Agreement by Supplier. Supplier agrees that, during the course of filling the P.O. and for four (4) years thereafter, it will maintain comprehensive general and product liability insurance, including blanket contractual liability and personal injury liability in an amount not less than five million dollars (\$5,000,000.00) combined single limit. Such insurance shall be written on an occurrence policy form with an insurance company with a current Best rating A, or better. Supplier shall cause its insurance policies to be endorsed to include the NNBC / MMI Parties as additional insureds thereunder and

will contain a full waiver of subrogation, indemnity, defense or equitable or contractual contribution by the insurer against the additional insureds. Such endorsement shall stipulate that the required coverage will not be reduced or canceled without thirty (30) days' prior written notice to NNBC / MMI. Such endorsements shall also stipulate that such coverage will be primary and that Supplier and its insurers will have no rights to share in or otherwise obtain contribution from other insurance maintained by the NNBC / MMI Parties. Within thirty (30) days of NNBC / MMI written request, Supplier will provide certified copies of the above-referenced insurance policies, including all endorsements, riders, and exclusions. Compliance with the foregoing insurance requirements shall not limit or obviate in any respect Supplier's obligations under this Agreement to defend and indemnify the NNBC / MMI Parties.

11. Prices:

In all cases, (i) NNBC / MMI shall not be billed at prices higher than those stated in the P.O.; (ii) any changes in prices must be authorized in writing by NNBC / MMI; and (iii) if no price is shown, NNBC / MMI authorized agent must be notified of the price and must accept such price in writing prior to Supplier filling the P.O. Unless otherwise specified on the P.O. the price stated shall include all charges for packing, hauling, storage and transportation FOB NNBC / MMI dock. Supplier agrees that any price reduction made with respect to the Goods subsequent to the date of the P.O. but prior to payment will be applicable to the P.O. Supplier represents and warrants that the prices for the Goods will always be the lowest prices paid by or available to other purchasers of Goods in similar or lesser quantities. Unless otherwise stated on the P.O., payment terms shall be terms of 2% 10/net 30 days after the later of NNBC / MMI receipt of: (i) Supplier's invoice or (ii) the Goods. If the Supplier is located outside the United States and deals in a currency other than the U.S. dollar, the parties will agree on a rate of exchange as of the time of the P.O. but if the parties fail to so agree, NNBC / MMI shall have the benefit of the more favorable rate of exchange based on the date of the P.O. or date of shipment of the Goods. NNBC / MMI reserves the right to deduct, set-off or otherwise withhold payments determined by NNBC / MMI to be due and owing by Supplier.

12. Events of Default:

Supplier shall be deemed to be in default in case of: (i) delay in or failure of delivery of Goods; (ii) delivery of Goods that are nonconforming in any other way; (iii) breach of warranty; (iv) breach of any provision of the Agreement; or (v) any other act or omission, whether pursuant to agreement or otherwise, which gives NNBC / MMI reasonable grounds to be insecure with respect to Supplier's performance of the P.O. Supplier further shall be deemed to be in default upon the occurrence of any of the following events, or of any other comparable event: (i) insolvency of Supplier; (ii) Supplier's filing of a voluntary petition in bankruptcy; (iii) the filing of any involuntary petition to have Supplier declared bankrupt provided it is not vacated within sixty (60) days from the date of filing; (iv) the appointment of a receiver or trustee for Supplier provided such appointment is not vacated within sixty (60) days from the date of such appointment; or (v) the execution by Supplier of an assignment for benefit of creditors.

13. NNBC / MMI Remedies Upon Supplier's Default:

Upon default by Supplier, NNBC / MMI will be entitled to recover its costs of cover, lost sales and profits, other incidental and consequential damages, and will be entitled to all other rights and remedies available under the P.O., the UCC and at law and in equity and may (but will not be obliged) to do any or all of the following: (i) reject or revoke acceptance of any or all of the Goods, whether or not such Goods are nonconforming and whether or not the condition or delivery thereof otherwise relates to, pertains to, concerns or gives rise to such event of default, and return them to Supplier at Supplier's own risk and expense; (ii) require Supplier to repair or replace rejected Goods, or to provide a full refund of the price of the rejected Goods; (iii) obtain replacement

Goods from an alternative supplier and recover from Supplier and additional costs incurred by NNBC / MMI in obtaining replacement Goods; or (iv) immediately terminate the P.O. without obligation or liability whatsoever with respect to Goods not yet delivered to NNBC / MMI at the time of such termination. NNBC / MMI decision to pursue any remedy shall not be deemed to be an election not to pursue any other remedy at the same time or any other time. In all cases, NNBC / MMI shall be entitled to recovery of its reasonable attorney's fees and expenses.

14. General:

This Agreement constitutes the complete understanding and contract between Supplier and NNBC / MMI with respect to the subject matter hereof. NNBC / MMI shall not be bound by any purported rescission or modification of such contract, and shall not be deemed to have waived any provision of or default under such contract, unless rescission, modification or waiver is set forth in writing signed by an authorized representative of NNBC / MMI. No waiver of any provision of or default under such contract in any particular instance shall be deemed or construed a waiver of any other provision or default, whether similar or otherwise, in any other instance. The parties are independent contractors. Supplier is an independent contractor manufacturing the Goods for NNBC / MMI. Nothing in this Agreement or in the activities contemplated by the parties hereunder will be deemed to create an agency, partnership, employment or joint venture relationship between the parties or any of their subcontractors or representatives. The Agreement is not assignable by Supplier but may be assigned by NNBC / MMI. If any provision of the Agreement is held invalid by any court in a final decision from which no appeal can be taken, such provision shall be deemed modified to eliminate the invalid element and as so modified, such provision shall be deemed a part of the Agreement. The invalidity of any provision of the Agreement shall not affect the force and validity of the remaining provisions. The contract between the parties shall be governed in all respects by and interpreted in accordance with the Laws of the Commonwealth of Pennsylvania without application of its conflict of laws provisions. Any and all disputes between the parties shall be prosecuted solely and exclusively in the federal or state courts located in Pennsylvania, and Supplier consents to personal jurisdiction of those courts and waives all defenses based on inconvenient forum.

As used in this Agreement, "Applicable Law" means any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, permit, approval, concession, grant, franchise, license, agreement, requirement or other governmental restriction or any similar form of decision of, or any provision or condition of any permit, license or other operating authorization issued under any of the foregoing by or any determination by any governmental authority having or asserting jurisdiction over the matter or matters in question, whether now or hereafter in effect and in each case as amended (including all of the terms and provisions of the common law of such Governmental Authority), as interpreted and enforced at the time in question.