

PURCHASE ORDER TERMS AND CONDITIONS

The terms set forth in these Purchase Order Terms and Conditions, and in any Kingsway Group (“Buyer”) Purchase Order, (collectively, the “ Purchaser Order”) are the sole terms for the purchase of goods and services by Buyer from the seller listed on the Purchase Order (“Seller”), and shall apply to the exclusion of any additional or different terms contained in Seller’s quotation, proposal or acknowledgment, or otherwise proposed by Seller in any manner. Any acceptance by Seller of the Purchase Order is limited to and conditional upon Seller’s acceptance of these express terms. Any proposal for additional or different terms or any attempt by Seller to vary in any degree any of these terms is hereby objected to and rejected. Any such proposal shall not operate as a rejection of the Purchaser Order, unless the variances are in the terms of the description, quantity, price, or delivery schedule of the goods or services, but shall be deemed a material alteration. Accordingly, the Purchaser Order shall be deemed accepted by Seller without such additional or different terms. If the Order shall be deemed an acceptance of a prior offer by Seller, the acceptance is expressly made conditional on assent to the terms of the Purchase Order and such acceptance is limited to those express terms. Additional or different terms in Seller’s offer or any attempt by Seller to vary in any degree any of the Purchase Order terms shall be deemed material and are objected to and rejected.

1. ACCEPTANCE

Seller’s written acknowledgment of, commencement of services under, shipment of any goods or component parts of goods related to, or receipt or procurement of any materials related to the Purchase Order, whichever occurs first, shall be deemed as acceptance of the terms set forth in this Purchase Order, including these Purchase Order Terms and Conditions.

2. TIMELY PERFORMANCE

Seller acknowledges and agrees that time is of the essence in the delivery of the goods or completion of the services within the time frame set forth in the Purchase Order, is vital to the interest of Buyer, and that failure to complete the services within such timeframe constitutes a breach of this Purchase Order.

3. CHANGES

Company reserves the right at any time prior to shipment of goods to make a change as to: (a) specifications; (b) method of delivery; (c) place of delivery, (d) schedule of delivery and the (e) quantities of delivery. Any agreed upon changes to the design (including drawings and specifications), processing, methods of packing and shipping, and the date or place of delivery of the goods covered by this Purchase Order shall not affect the time of performance or cost, unless Seller notifies Buyer in writing within ten (10) days of receipt by Seller of notice of any change. Without Buyer’s prior written approval, Seller shall not change (i) any third-party supplier to Seller of services, raw materials, or goods used by Seller in connection with its performance under this Purchase Order, or (ii) the nature, type, or quality of any services, raw materials, or goods used by Seller or its suppliers in connection with this Purchase Order.

4. CANCELLATION

Buyer reserves the right to cancel this Purchase Order, or any portion hereof, without liability, if; (a) as time is of the essence in this Purchase Order, delivery of goods or completion of services is not made when and as specified; (b) Seller fails to meet contract commitments as to exact time, price, quality or quantity; (c) Seller ceases to conduct its operation in the normal course of business; (d) Seller is unable to meet its obligations as they mature; (e) proceedings are instituted against Seller under the bankruptcy laws or any other laws relating to the relief of creditors; (f) a receiver is appointed or applied for by Seller; or (g) any assignment is made by Seller for the benefit of creditors. Buyer also reserves the right to cancel for any other reason permitted by the Uniform Commercial Code then in effect in the State of Michigan. In the event of a cancellation, Buyer shall have no further obligations to Seller except to pay for deliverables that were provided to Buyer prior to such termination and were accepted by Buyer. Upon termination, Seller shall provide any transition assistance that may be reasonably requested by Buyer.

5. DELIVERY

Seller shall deliver the goods or services to the location designated Buyer in the Purchase Order, by appropriate conveyance, no later than by the dates specified in the Purchase Order.

6. INSPECTION AND REJECTION

All goods are subject to final inspection and acceptance by Buyer at destination notwithstanding any payment. Such inspection will be made within a reasonable time after receipt of goods.

Buyer shall notify Seller if any goods delivered hereunder are rejected, and at Buyer's election and Seller's risk and expense, such goods shall be held by Buyer or returned to Seller. No replacement or correction of nonconforming goods shall be made by Seller unless agreed to in writing by Buyer.

7. INVOICING

Invoices shall be mailed immediately after shipment of goods or rendering of service is complete to the address shown on the face of the Purchase Order and including an "attention to" line indicating the Seller's primary business contact at Buyer. Delays in receiving invoices, errors, or omissions on invoices or lack of supporting documentation required by the terms of this Purchase Order will be cause for postponing the start of the payment terms until the correct information is received. Buyer will not be responsible for charges on invoices received more than 120 days after the rendering of service is complete or shipment of the goods unless indicated otherwise in a written agreement between Buyer and Seller.

8. PAYMENT

In consideration of the performance of the completion of the obligations by Seller and acceptance by Buyer under the Purchase Order, Buyer will pay the applicable invoice amount. Payment terms are net 30 days from receipt of invoice unless indicated otherwise in a written agreement between Buyer and Seller. Seller warrants that the prices charged Buyer and stated

in this Purchase Order are no higher than prices charged by Seller to others for similar goods or services in similar quantities and conditions.

9. DISPUTED CHARGES

Where any item or items on an invoice are disputed Buyer may withhold payment for the item or items so disputed until such time as the dispute is resolved.

10. SELLER'S REPRESENTATIONS AND WARRANTIES

Seller represents and warrants that: (a) the goods and/or services covered under the Purchase Order are of good and merchantable quality and free from defects in design, material and workmanship, are safe and conform to applicable specifications, drawings, samples, descriptions and associated documentation provided to Buyer in writing; (b) the goods and services, and the production and sale thereof, and all warranties, guarantees, representations by Seller made or authorized to be made in connection therewith are in all respects in compliance with all applicable international, federal, state, local laws, rules and regulations.; (c) the goods are fit for the use intended by Buyer; (d) no goods and/or services, or their sale or use will infringe any patents, trademarks, copyrights, trade secrets or similar intellectual property rights of any third party; (e) Seller will comply with all federal, state and local laws, ordinances, rules and regulations applicable to its performance under this Purchase Order; and (f) Seller shall not change any compositions, formulations, or other constituents of the goods without prior written approval from Buyer.

11. COMPLIANCE WITH LAWS

Seller represents and warrants that no law, regulation or ordinance of the United States, or any state or governmental authority or agency has been or will be violated in the manufacture, procurement, transporting or sale of any of the goods furnished, work performed or services rendered pursuant to this Purchase Order.

12. INDEMNIFICATION

Seller shall assume entire responsibility for and shall defend, indemnify and hold Buyer, and its directors, officers, employees and agents (collectively, the "Indemnitees") harmless against all losses, liabilities, claims, costs and expenses arising directly or indirectly out of or in connection with Seller's performance related to this Purchase Order including but not limited to: defects in any goods or services supplied by Seller, bodily injury to any person in the employment of the Buyer, Seller or any Seller subcontractors; loss of or damage to the property of Buyer or Seller, any subcontractor and any of their respective personnel whatsoever and howsoever arising, any actual or alleged infringement of any United States patent, copyright or trade secret arising out of the services, goods and/or deliverables supplied to Buyer by Seller. The provisions of this paragraph "Indemnification" shall survive the termination of the Purchase Order for whatever reason.

13. CONFIDENTIALITY

Any and all information disclosed by Buyer to Seller is confidential (collectively, "Confidential Information"). Seller agrees it will use the Confidential Information only in the furtherance of its

work under the Purchase Order and further agrees it shall not use the Confidential Information for any other purpose, nor transfer or otherwise disclose the Confidential Information to any other party except with written authorization from an officer of Buyer.

14. INSURANCE

Whenever Seller shall, by virtue hereof, have in its possession property of Buyer, Seller shall be deemed as insurer thereof and shall be responsible for its safe return to Buyer.

Seller will maintain and carry liability insurance which includes but is not limited to commercial general liability (including product liability and for services to be performed, completed operations liability) in a sum no less than \$5 million, automobile liability in a sum no less than \$5 million, workmen's compensation in an amount no less than the applicable statutory minimum requirement and employer's liability in an amount of no less than \$1 million, with insurance carriers acceptable to Buyer. Seller will, if requested by Buyer, furnish certificates of insurance from its carrier(s) on the foregoing coverages, which shall provide that such coverage shall not be changed without thirty (30) days advance written notification to Buyer from the carrier(s). Seller's purchase of insurance coverage and the furnishing of certificates of insurance shall not release Seller of its obligations or liability under this Agreement. In the event of Seller's breach of this provision, Buyer shall have the right to cancel the undelivered portion of any goods or services and shall not be required to make further payments except for conforming goods or services delivered prior to cancellation.

If Seller is to perform any services for Buyer on any premises owned or controlled by Buyer or elsewhere, Seller agrees to: (a) keep such premises and work free and clear of all mechanic's liens, and furnish to Buyer proper affidavits and/or waivers certifying thereto; (b) perform such services at Seller's sole risk prior to its written acceptance by Buyer, and replace at Seller's sole expense all property damaged or destroyed by any cause whatsoever; (c) carry workmen's compensation insurance covering all employees to be used by Seller or Seller's subcontractors in connection with such services and public liability insurance covering Seller's liability hereunder; and (d) prior to commencing the performance of any services hereunder, furnish to Buyer certificates of its insurance carrier showing that such workmen's compensation and liability and property damage insurance is in force.

All shipments shall be insured for full value of goods therein. This insurance shall include the full value of any materials furnished by Buyer whether or not these materials have been altered by Seller. Seller accepts full responsibility for financial reimbursement to Buyer for all materials, lost or damaged and not insured.

15. PUBLICITY

Seller shall not make or publish any notice, advertisement, press release, or other communication with respect to the Purchase Order, its contents, or the goods or services without Buyer's prior written consent. Seller shall not use Buyer's name or logo in any of its advertising, client list, or sales promotional material without Buyer's prior written consent.

16. EQUAL OPPORTUNITY

Seller will provide services to Buyer without discrimination on account of race, sex, color, religion, national origin, age, physical or mental disability, or veteran's status.

17. DISPUTE RESOLUTION

All disputes arising under this Purchase Order shall be settled in a federal or state court of competent jurisdiction located in Oakland County, Michigan. All parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court located within Oakland County, Michigan, with respect to any legal action or proceeding arising out of or relating to this Purchase Order or any of the transactions contemplated hereby and each party hereby irrevocably agrees that all claims in respect of such dispute or any suit, action or proceeding related thereto may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such action or proceeding brought in such court or any defense of inconvenient forum for the maintenance of such action or proceeding may be enforced in other jurisdictions by suit on the judgment or in any manner provided by law. Each of the parties hereto hereby consents to be served by any party to this Purchase Order in any suit, action, or proceeding delivered personally or by the mailing of a copy thereof postage prepaid by United States registered or certified mail, return receipt requested, or by any nationally recognized overnight carrier service (i.e., Fed Ex or UPS) with delivery confirmation, to the parties at the addresses set forth in Section xx of this Agreement.

18. ASSIGNMENT

Seller may not assign its rights or delegate its duties under this Purchase Order without Buyer's prior written consent. Buyer may assign to any third party its rights and obligations under this Purchase Order.

19. HEADINGS

The headings contained in these Purchase Order Terms and Conditions are for convenience of reference only and are not intended to have any substantive significance in interpreting this Purchase Order.

20. FORCE MAJEURE

Both parties shall be relieved from any and all liability under or in connection with this Purchase Order to the extent that such liability arises from any failure to perform any of its obligations under or in connection with this Purchase Order has been caused or contributed to by a force majeure event or circumstance including acts of God, war, hostilities (whether war be declared or not), civil disturbance, government action, strikes, lock-outs, or labor disputes, computer virus, or any other event or circumstance or cause whatsoever beyond the reasonable control of the impacted party.

21. SEVERABILITY AND INDIVIDUAL PROVISIONS

If any term, condition, or provision of this Purchase Order is for any reason declared or found to be illegal, invalid, ineffective, inoperable, or otherwise unenforceable, it shall be severed and deemed to be deleted from this Purchase Order and the validity and enforceability of the

remainder of this Purchase Order shall not be affected or impaired thereby the remaining terms shall remain in full force and effect.

22. WAIVER OF FAILURE TO ENFORCE A PROVISION

Failure by either party at any time to enforce any provision of this Purchase Order against the other shall not be construed as a waiver of such entitlement and shall not affect the validity of this Purchase Order or any part or parts hereof or the right of the relevant party to enforce any provision in accordance with its terms. The rights and/or remedies of either party may only be waived by formal written waiver which is signed by a duly authorized representative of the party waiving its rights and which makes express and unequivocal reference to the waiver being made.

23. APPLICABLE LAW

This Purchase Order shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to conflicts-of-law principles.

24. SETOFF

Buyer has the right to deductions or setoffs of any sums due to Buyer from Seller (whether or not arising from this Purchase Order) against any sums due to Seller from Buyer (whether or not arising from this Purchase Order).

25. ENTIRE AGREEMENT

This Purchase Order contains all of the terms of the agreement between Seller and Buyer with regard to its subject matter and supersedes all prior oral or written representations, agreements, and other communications between Seller and Buyer.