

LG HAUSYS AMERICA, INC.
General Conditions of Purchase

In an effort to improve efficiencies for Purchase Order placement with our vendors, merchants, and/or suppliers, LG Hausys America, Inc. ("LG America" or "Buyer") will be faxing OR scanning/ e-mailing Purchase Orders. All Purchase Orders must be acknowledged by signing the Purchase Orders and returning it via fax to LG America within 24 hours of receipt. All Purchase Orders acknowledged constitutes acceptance of the Purchase Order including price, quantity, delivery schedule, item numbers, and payment terms and shall be governed by the "General Conditions of Purchase" and /or a definitive Manufacturing/ Supplier/ Service Agreement. In all instances, the Manufacturing/ Supplier/ Service Agreement will supersede the "General Conditions of Purchase" unless otherwise agreed in writing by LG America.

If you have any questions regarding this information, please contact LG America.

Acceptance of this process must be approved by an officer of your company. After accepting the terms on this screen, please print, sign and date in all areas, and then scan/email or fax the final signed document to the LG America requestor to (678) 486-8251 within 24 hours.

Name _____ Signature _____ Title _____ Date _____

GENERAL CONDITIONS OF PURCHASE ORDERS

NOTICE: OUR PURCHASE ORDER NO. MUST APPEAR ON ALL CORRESPONDENCE, INVOICES, PACKAGES AND SHIPPING MEMORANDA. THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS STATED ON

THIS FORM AND ON ANY PURCHASE ORDER SUPPLEMENT, SIGNED BY BUYER AND SELLER, ATTACHED HERETO. ANY ADDITIONAL OR DIFFERENT TERMS, WHETHER OR NOT MATERIALLY DIFFERENT, SET FORTH IN ANY COMMUNICATION FROM THE SELLER ARE OBJECTED TO AND ARE HEREBY REJECTED. TO AVOID DELAYS IN PAYMENT, INVOICES MUST CONTAIN ITEM DESCRIPTIONS WHICH READ EXACTLY AS SHOWN ON THE ORDER AND MUST REFERENCE THE SAME UNIT PRICES AND UNITS OF MEASURE.

1) GENERAL: The term "Seller" as used in this order shall mean the Company furnishing the goods, materials, equipment, or other services ("Goods") as described in the Purchase Order. The term "Buyer" as used in this order shall mean LG Hausys America, Inc. This order becomes a binding contract, subject to the terms and conditions hereof when accepted by acknowledgement and or commencement of performance thereon. No change, modification or revision of this order shall be valid unless in writing and signed by an authorized representative of Buyer. If written notice of different terms and conditions has not been submitted to Buyer within three (3) working days, the Purchase Order will become a valid contract. Failure by Seller to comply strictly with any term, condition, provision or warranty of this contract, expressed or implied shall be deemed a material breach of this contract in its entirety, giving Buyer the right to reject the whole or any part of the delivered Goods, and to return the whole or any part of the Goods delivered hereunder, and in addition thereto, recover any damage that it may sustain.

2) WARRANTIES: Seller guarantees and expressly warrants that all Goods, equipment, materials, labor or services furnished under the Purchase Order shall be in strict accordance with contract documents, plans and specifications, current as of the date of the Purchase Order. Seller expressly warrants that the Goods furnished hereunder will be merchantable, free from defects in material and workmanship, suitable and usable without restriction for the use intended and will conform to applicable specifications, drawings, samples and descriptions, and if of design other than Buyer's, will be free from design defects. These warranties shall remain in effect for one (1) year after the date on which the Goods are delivered by Buyer to its customers or two (2) years from the date the supplies are accepted by Buyer, whichever first occurs. Seller agrees, at its expense to repair or replace any Goods having any such defects in a manner satisfactory to Buyer or its customers. All warranties herein shall be extended to Buyer and its customers and shall be construed as conditions as well as warranties and shall not be deemed to exclude other rights or warranties, which Buyer may have or obtain. Seller also warrants that all items sold or furnished under this order have been produced, sold, delivered, and furnished in compliance with all applicable laws and regulations. Seller shall execute and deliver such documents as may be required to effect or to evidence compliance. All laws and regulations applicable to such matters are incorporated in this contract by this reference. The Seller undertakes to indemnify Buyer against any and all liability, loss, damage or expense arising from any present or future claim of any patent, trademark or copyright infringement, or present or future claim of unfair trade, with respect to or in connection with the Goods covered by this contract or hereafter purchased from Seller.

3) LICENSES/PERMITS & TAXES: If performance of this Purchase Order requires licenses, permits or any other governmental, regulatory or legal approvals or authorizations ("Approvals") to be issued or obtained, it will be the Seller's sole responsibility to obtain all required Approvals and said costs shall be determined to be included in the price stated in the Purchase Order.

Any and all taxes, fees, duties, withholdings, or like charges, whether domestic or foreign now or hereafter imposed ("Taxes"), including, without limitation, federal, provincial, state, and local taxes, value-added taxes, goods and services taxes, stamp, documentary, excise or property taxes, duties and other governmental charges shall be borne exclusively by Seller unless otherwise agreed in writing by Buyer, in which case any such taxes agreed to be paid by Buyer shall be separately stated in the invoice.

Name _____ Signature _____ Title _____ Date _____

4) INSURANCE: Seller shall defend, indemnify and hold harmless Buyer from any claims, suits, judgments, fees and costs (including attorney's fees) based on or arising out of the Seller's Goods, services and/or the resale or use of the products purchased hereunder, including death, personal injury, or damage to property. Seller agrees to procure and maintain the following insurance coverage: (a) Commercial General Liability insurance, endorsed to Buyer, with limits not less than \$1,000,000 per occurrence, \$1,000,000 Products/Completed Operations, \$1,000,000 Personal/Advertising, (b) Commercial Auto insuring all vehicles used by Seller (including all owned, hired and non-owned vehicles), and (c) Worker's Compensation with statutory limits and a waiver of subrogation in favor of Buyer, and Employer's Liability with limits not less than

\$500,000 each accident and \$5,000,000 Disease per employee. Evidence of such coverage, in the form of the Certificate of Insurance and providing for thirty (30) days notice to Buyer prior to cancellation, shall be sent to Buyer not later than seven days following Seller's acceptance of this order.

5) INSPECTION: Should any of the Goods be not in accordance with this contract or fail in any respect to comply therewith as to quantity, quality, description or time of shipment, Buyer shall have the right to reject or return the entire shipment, or retain such part as complies with the contract and return the balance at the risk and expense of Seller or hold the same subject to Seller's risk and directions. All Goods delivered hereunder shall be subject to inspection by Buyer, and delivery, and the right to inspect, in all cases, shall precede the obligation to pay for the Goods. Seller recognizes that Buyer conducts an establishment that supplies customers throughout the United States and elsewhere, and that because of the quantity of Goods purchased, and the amount of Goods kept on hand, Buyer may be unable to inspect the Goods upon the delivery thereof, therefore, it is agreed that the Goods shall not be deemed to have been accepted by Buyer, until the same has been actually inspected by the Buyer and has been found to be in accordance with the contract. All Goods shipped or delivered pursuant to or in purported compliance with this order, or any other order hereafter placed with Seller under which the Goods delivered is not in accordance with the contract with respect to quantity, quality or description, or in any respect fails to comply with the provisions of the contract, may be returned at any time after delivery thereof to Seller, notwithstanding (a) the time elapsed since the delivery of same, (b) that the same may have been paid for, accepted or sold by Buyer, or (c) notwithstanding anything else contained in this contract or any other provisions of statute law otherwise applicable. In addition to the right to return such Goods, Buyer shall have the right to recover damages sustained.

All Goods will be subject to final inspection and acceptance at destination, notwithstanding prior payment thereof. Any rejected Goods returned to Seller shall be at Seller's expense and no replacements of such defective Goods shall be made unless specified by Buyer. Buyer reserves the right to reject all defective Goods and return same to Seller for full reimbursement, including transportation and handling charges. If Seller fails to promptly replace and correct rejected Goods to Buyer's satisfaction, Buyer may subcontract or otherwise replace or correct such Goods and Seller shall be liable to Buyer for any excess costs incurred thereby.

6) DELIVERIES: No deviation from the delivery schedules in this order shall be allowed without the written authorization of Buyer. Partial shipments/ deliveries are not allowed without the written authorization of Buyer. If Seller is delinquent in delivery or if it is reasonably determined by Buyer that Seller will be so delinquent and/or is delaying correction of previously rejected items so that such delay is affecting or reasonably threatens to affect Buyer's commitments to its customers, Buyer may, upon written notice, require Seller to submit acceptable Goods within 10 days from the date of such notice and failure to comply therewith, shall constitute a default of contract by Seller, and shall render Seller liable for all damages sustained by the Buyer as a result thereof.

7) CHANGES: Seller shall make no changes in the Goods ordered, including, without limitation, the specifications, drawings, quantities, packing or shipment thereof, except as authorized in writing by Buyer's purchasing department. Buyer expressly objects to the change of any of the terms and conditions specified in this order, and should there be any conflict between those specified in your quotation or acknowledgment, the terms and conditions of this order shall take precedence and shall control every respect.

8) RISK OF LOSS: The Buyer shall not be liable for any loss or damage to, or destruction of the Goods covered by this contract, irrespective of the cause thereof prior to the actual receipt and custody of such Goods by Buyer at its place of business above specified.

Name _____ Signature _____ Title _____ Date _____

9) PRICES & PAYMENT: The Seller warrants that the prices charged for the Goods covered by this contract are not higher than the prices charged by Seller to other buyers similarly situated, and Seller warrants and represents that in the manufacture and sale of the Goods covered by this contract, Seller has not violated any provisions of the laws of the United States or of the State of Georgia, or of any other state applicable thereto, and specifically but without limitation warrants and represents that there has been no violation of the Federal Child Labor Act or the Fair Labor Stands Act of 1938. All claims for monies due or to become due from Buyer shall be subject to deduction by Buyer for any setoff or counterclaim arising out of any of Buyer's agreements with Seller.

Unless specifically provided otherwise in this purchase order, payment for materials, equipment, and or services shall be made to Seller when Buyer has received payment from the project owner/ customer for same, less 10% retention by Buyer until the materials are approved by Buyer, in its sole and absolute discretion, in accordance with the requirements of the plans and specifications. Payment may be withheld if Seller is not performing work in accordance with the provisions of this purchase order. Payment terms to be net 60 calendar days subject to limitations as provided elsewhere in this document. Incorrect billing will be returned and the payment period shall be extended by the period of any delay caused by an error in the invoice requiring correction.

10) TOOLS: Seller shall prepare and submit shop drawings in a timely manner as may be required by Buyer. Seller will comply with the requirements of the contract documents, plans and specifications. Buyer's approval of such submittals will not excuse Seller for deviating from contract documents without clearly and explicitly disclosing the particular portions of the submittals that deviate from the contract documents. In case where Buyer furnishes the relevant tools, patterns, equipment, molds, designs, drawings, engineering data or other technical or proprietary information, title to all such material and information furnished Seller by or for Buyer or, if furnished by Seller especially for this order and included in the price of relating to the performance of the order, shall remain with Buyer, as such material will be considered "works made for hire" and shall be fully assigned to Buyer. All such items shall be confidential and shall only be used in connection with this contract. All such items shall be maintained in good condition by Seller and shall be subject at all times to disposition as Buyer may direct. The Seller shall be liable as an insurer for all property of Buyer in Seller's possession, including but not limited to dies, molds, machinery and equipment, which property shall be delivered to Buyer at any time upon demand. None of the said property shall be altered, changed or repaired, without Buyer's written consent first having been obtained in writing, and the Seller hereby waives any lien that it might have upon such property.

11) NOTICE OF LABOR DISPUTE: Whenever Seller has knowledge that any actual or potential labor dispute is delaying, or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer in writing, and, if this order is jeopardized for failure of non-notification then Seller shall be liable for all damages incurred.

12) RETURNS: In addition to reimbursing Buyer for the price of Goods returned to Seller under the provisions of this contract, the Seller shall be liable to the Buyer for all transportation, freight, express, cartage and shipping charges (both ways) on such returned Goods together with such other damage as Buyer may sustain by any breach of this agreement.

13) LAWS: This contract shall be construed, governed and interpreted in accordance with the laws of the State of Georgia, and shall not be modified, except by a person authorized by Buyer to sign purchase orders on its behalf. As a condition of doing business with Buyer, Seller expressly consents to jurisdiction in the State of Georgia.

14) NON-DISCRIMINATORY ACT: Seller will not discriminate against any employee or applicant for employment because of race, religion, color, age, sex or national origin. Seller will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, color, age, sex or national origin. Such action shall include, but not be limited to, the following employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Seller agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

Name_____ Signature_____ Title_____ Date_____

15) DEFAULT: (a) Time is of the essence of this contract. (b) The Buyer may by written notice of default to the Seller terminate this contract or any part thereof if the Seller fails to deliver the Goods in accordance with the delivery schedule specified herein, or any extension thereof by change order or amendment, or to replace or correct defective Goods in accordance with the provision of change order issued. If the Seller fails to perform or in any manner endangers the performance of this contract, so as to affect the terms or provisions, and does not correct failure within a period of ten (10) days, (or such period as Buyer may specify) this contract shall be terminated at no charge or consequence to Buyer.

16) CHEMICAL SUBSTANCE IDENTIFICATION: Seller warrants that all Goods which are chemical substances, or if the Goods are not chemical substances, Seller warrants that all chemical substances comprising the Goods, which are, at the time of sale and the Buyer's receipt, on the then current list of chemical substances published

by the Administrator of the Environmental Protection Agency pursuant to Section 8 of the Toxic Substances Control Act shall be properly labeled and identified for Buyer and that proper information on the substance(s), including the material safety data sheets, have been provided to Buyer pursuant to all federal, state or local laws and regulations. Seller shall comply with all applicable laws, ordinances, rules, regulations and orders of any public authority having jurisdiction for the safety of persons or property or to protect them from damages, injury or loss. This includes, without limitation, all safety standards set forth in Federal and/or State Occupational Safety and Health Acts and regulations promulgated thereunder. Seller shall indemnify and hold Buyer harmless from any damages, fines, penalties, costs and expenses levied against Buyer because of Seller's failure to comply with the Act and its regulations.

17) WAIVER: Failure of Buyer to insist upon strict performance of any of the terms and conditions hereof, or failure or delay to exercise any rights or remedies provided herein or by law, or to properly notify Seller in the event of breach in performance, or the acceptance of or payment for any Goods and services hereunder, shall not release Seller of any of the obligations under this purchase order and shall not be deemed a waiver of any right of Buyer to insist upon strict performance hereof, nor shall any purported oral modification by Seller operate as a waiver of any of the terms hereof.

18) INDEMNIFICATION: Seller will indemnify, defend and hold harmless Buyer, its successors, assigns, customers and users from any and all loss, damage, injury, liability, claim suit, costs and expenses of any nature (including reasonable attorney's fees) on account of any claims, suit, action or proceeding for infringement or violation of trademark, copyright or patent in the manufacture, sale or use of any Goods, or arising, or claimed to arise, out of the breach by Seller of its warranties and representations herein or any other obligation of Seller hereunder and relating to defects in the design of any of the Goods supplied, or for personal injuries or property damage to Buyer's employees or to third parties or their property resulting from ordinary and proper use of the Goods supplied. Buyer shall notify Seller promptly in writing of any such claim, liability or loss and shall tender immediately Buyer's defense. If this order requires performance by Seller in whole or in part, upon Buyer's premises, Seller will indemnify and hold harmless Buyer from any and all loss, damage, injury, liability, claim, suit, costs and expenses (including reasonable attorney's fees) of any nature arising, or claimed to arise, out of such performance by Seller. In the event Seller employs a subcontractor to construct any portion of the Goods contracted for in this Purchase Order, Seller agrees that it shall remain solely and exclusively responsible for the charges and expenses of its subcontractor. Seller further agrees to defend, indemnify and hold Buyer harmless from any and all claims, losses, damage and expenses including attorney's fees arising out of claims by Seller's subcontractor against Buyer. Buyer's aggregate liability, if any, from or relating to this contract or the Goods is limited to the amount paid by Buyer for the applicable Goods. To the maximum extent allowable under applicable law, Buyer shall not be liable for any special, incidental, consequential, indirect or punitive damages, including without limitation, cost revenues, loss of use of the Goods, loss of data, or the cost of any substitute Goods or related equipment, even if Buyer has been advised of the possibility of such damages.

19) ASSIGNMENT: No right or obligation under this order shall be assigned by Seller without the prior written consent of Buyer.

20) INDEPENDENT CONTRACTOR STATUS: Seller represents and warrants that it enters into this contract as an independent contractor and not as an employee of Buyer or in any other capacity, and shall not be entitled to the rights or benefits afforded to Buyer's employees. Buyer shall not withhold any monies for any federal, state, or local tax authorities from any compensation owed and payable to Seller pursuant to this order. Payment of such taxes shall be the sole responsibility of Seller and Seller shall indemnify and hold Buyer harmless from any claims or damages which may be asserted against Buyer by a tax authority for not withholding any money from Seller.

Name _____ Signature _____ Title _____ Date _____