**LION GROUP, INC**

**PURCHASE ORDER TERMS AND CONDITIONS**

**Revised Effective July 23, 2020**

**1. General Provisions**

LION GROUP, INC. is hereinafter called “Purchaser” and the party with whom this purchase order (“Purchase Order”) is placed is hereinafter called “Seller”. This Purchase Order may be used to purchase supplies, machinery, equipment etc. and may also be used to contract for maintenance, services and construction work on premises of the Purchaser. All goods or work covered by this Purchase Order regardless of the type are hereinafter called “Items.” Acceptance of this Purchase Order creates a contract that is expressly limited to the terms and conditions of this Purchase Order, including the face page of this Purchase Order. In acknowledging and accepting this Purchase Order, Seller acknowledges that none of Seller’s terms and conditions shall apply. Acceptance by the Purchaser of the Items delivered under this purchase order shall not constitute agreement to Seller’s terms and conditions. Seller may not reserve a security interest in the Items shipped under this Purchase Order.

**2. Price and Cash Discounts**

The price which the Seller charges in filling this Purchase Order shall not be higher than that last price charged or quoted to the Purchaser for such Items (if there has been a charge or quote previously) unless the Purchaser expressly so agrees in writing. If a price is set forth on the face of this order by the Purchaser, such price shall control, subject to those terms and conditions which follow. In all events the Seller shall charge the Purchaser a price which is not in excess of the lowest prevailing market price for items of comparable commercial value or the lowest price at which Seller is selling such Items.

The specified period for any cash discount offered by Seller shall begin with the date of Seller’s invoice except that if Seller’s invoice does not arrive at Purchaser’s office as specified on the face of this Purchase Order within five days after the date of the invoice the discount period shall be considered to have begun five days before the invoice is received by the Purchaser.

**3. Delivery**

If the Purchaser has inserted a delivery or completion date on the face of this Purchase Order, the Purchaser reserves the right to cancel this Purchase Order if said date is not met or if, prior to said date, after inquiry by Purchaser, Seller fails to provide adequate assurance, and Purchaser thereby reasonably believes that the Purchaser's delivery or completion date will not be met. Purchaser also reserves the right to assess a reasonable Chargeback if Seller fails to meet its delivery or completion date on the face of this Purchase Order in accordance with the Chargeback Policy set out in the Standard on Marking, Packaging and Routing Guide (the “Standard”), which is expressly incorporated herein by reference.

If a delivery or completion date is not specified on the face of this order, a reasonable time will be allowed. The delivery dates indicated by the Purchaser for the articles, material or work to be supplied under this purchase order are of the essence. Deliveries shall be made by Seller strictly in accordance with the instructions specified herein. All shipments must be packed to conform to Purchaser’s specifications, and Purchaser may reject all or part of any delivery based on non-conformance. Failure to meet agreed-upon delivery dates shall be considered a breach of the contract. Unless otherwise agreed in writing by both parties, Seller shall not make commitments for material or production in excess of the amount or in advance of the time necessary to meet Purchaser’s delivery schedule. It is Seller’s responsibility to comply with this schedule, but not to anticipate Purchaser’s requirements. Goods shipped to the Purchaser in advance of schedule may be returned to Seller at Seller’s expense.

During the term of this Purchase Order, the Purchaser may give written notice to Seller requesting that Seller implement certain forms of Flexible Delivery Programs, including but not limited to Consignment and Make and Hold. Except as otherwise mutually agreed upon by the parties, the terms and conditions of this Purchase Order apply to any Flexible Delivery Program.

**4. Compliance with Law**

Seller agrees that at all times it will comply with all applicable federal, state, municipal and local laws, orders and regulations, including, but not limited to, the Fair Labor Standards Act of 1938, as amended, and those affecting or limiting prices, production, purchase, sale and use of material. If requested by the Purchaser, Seller agrees to timely certify compliance with such laws in such forms as the Purchaser may request.

**5. Compliance with Export/Import Requirements**

For each international shipment, Seller shall furnish all required export/import documents. Seller shall furnish: (i) all documents required to obtain export credits and customs drawback; (ii) certificates of origin for the materials and goods supplied and a commercial invoice stating the value added in each country; (iii) all NAFTA, AGOA, CBTPA, ATPDEA, or other trade preference program related documents; (iv) all required export licenses or authorizations; (v) all documents relating to visa requirements; and (vi) any other document requested by the Purchaser. Seller warrants that the content of such documents shall be true and accurate. Seller shall defend, indemnify and hold harmless Purchaser for any damages, included but not limited to duties, interest and penalties, arising from a false or inaccurate statement.

**6. Compliance with Customs’ Requirements**

Wherein Seller is providing imported Items to Purchaser, Seller agrees to abide by all relevant Bureau of Customs and Border Protection of the U.S. Department of Homeland Security (hereinafter “U.S. Customs”) Regulations including 19 CFR 102.21. Please refer to Title 19 CFR Ch.1 (located online at www.access.gpo.gov) It is the responsibility of the Seller to know and maintain compliance with all U.S. Customs regulations, inclusive beyond regulations cited in this document, and which are in effect at the time of contract. Seller agrees to maintain for five years adequate recordkeeping as defined in U.S. Customs Regulations, and agrees to make any and all such records available to Purchaser at Purchaser’s request.

Seller shall also accept, implement and comply with all applicable requirements, rules and regulations of U.S. Customs with regard to the importation of merchandise. At Purchaser’s- or U.S. Customs’ request, Seller shall certify in writing its compliance with U.S. Customs requirements. Seller shall defend, indemnify and hold Purchaser harmless from and against any liability, claims, demands, or expenses or charges (including attorney’s or other professional fees) arising from or relating to Seller’s not complying with U.S. Customs laws, rules, and regulations regarding the importation of merchandise.

**7. Compliance with Labeling Requirements**

Seller agrees that at all times it will include on all goods appropriate labels indicating the country of origin of the imported merchandise and other labeling requirements in compliance with applicable U.S. laws and regulations.

**8. Transshipment of Merchandise**

Seller warrants that the genuine and true origin of all merchandise subject to this Purchase Order is stated on any country of origin declaration, invoice, visa or other document made in conjunction with the importation of the merchandise into the United States and that no shipment has been illegally transshipped from any country. In conjunction with this responsibility, Seller shall verify that manufacturers and subcontractors have the production capacity, machinery and labor force necessary to produce the merchandise as specified in this Purchase Order and further verify that such entity produced the merchandise by completing “Factory Profile” and “Verification of Production” forms. Any purchase order issued by Seller for the account of Purchaser shall bear the following legend:

“The Seller has advised the Purchaser that all the manufacturing operations required for this order will be performed in [country of origin]. Seller will immediately notify Purchaser if any of these operations are to be shifted to other countries.”

In addition, Seller shall verify the physical production and shipment of the merchandise. This is consistent with the U.S. Customs requirements and the Code of Conduct for Manufacturers. Seller shall also obtain executed Vendor’s Certification of Origin forms, from vendors certifying the correct country of origin of contracted merchandise. The submission of such Vendor’s Certification of Origin Form together with Seller’s Certificate of Origin form will be a condition of payment on any applicable Letter of Credit issued in connection with textile and apparel purchases by Purchaser. In the event that U.S. Customs denies entry or assesses any claim for duties, taxes, interest, penalty, liquidated damages, or other charges on the grounds of an incorrect origin or incorrect origin declaration or incorrect textile visa or similar document, Purchaser shall be entitled, at its discretion, to withhold any commission due for such shipment, and Purchaser shall be entitled to actual and consequential damages and attorney’s fees in connection with such breach, including any duties, taxes, interest, penalties or liquidated damages assessed by or paid to U.S. Customs.

**9. Communication with Customs Authority**

Seller agrees to respond to all reasonable requests of Purchaser made on its own account, or in conjunction with requests made by U.S. Customs, in connection with the efforts of Purchaser to import the merchandise subject to this Purchase Order. Seller also agrees to notify Purchaser immediately of any direct communication it may have with U.S. Customs in connection with the procuring of Purchaser’s Items.

**10. Modifications**

The Purchaser shall have the right, from time to time, to make changes, additions, omissions, or alterations in the Items or to packing, destinations, specifications, drawings, design or to postpone the delivery schedule. Immediately upon such change being ordered, the parties shall undertake to agree to an appropriate adjustment in price, up or down, and/or in the other terms of this Purchase Order. To be binding upon the Purchaser, such changes and such adjustments must be in writing and signed by a duly authorized representative of the Purchaser.

**11. Inspection**

All inspections and tests shall be made as required by this Purchase Order or any Purchase Order. Copies of all test reports, test data, and other documents, in the number specified, shall be forwarded by Seller to Purchaser at the mailing address set forth on the particular Purchase Order. Purchaser shall be entitled, but not required, to perform inspections at Seller's or its vendors' and subcontractors' premises of all Products purchased hereunder at any stage in the manufacturing process, and Purchaser shall be entitled to reject any partially completed work which fails to conform to the requirements of this Purchase Order.

Seller shall advise Purchaser ten (10) days in advance when the Products are ready for inspection. No such inspection or failure to inspect shall relieve Seller of any responsibility or liability with respect to such Products nor be interpreted in any way to imply acceptance thereof by Purchaser. Any expression of acceptance or general satisfaction on the part of Purchaser prior to inspection and testing shall not be deemed an acceptance. Inspections by or on behalf of Purchaser shall not relieve Seller of its obligations to make full and adequate tests and inspections during production.

Seller agrees to permit Purchaser to verify the quality of supplies and services being provided under any Purchaser purchase order, including this Purchase Order, at any production stage in Seller’s facility. Verification may consist of a physical assessment/surveillance of Seller’s facility and quality programs and/or a source inspection. Deficiencies identified during such verification shall be positively corrected by Seller in the most expeditious manner possible. Seller shall provide all reasonable access to facilities and assistance for the safety and convenience of personnel engaged in such verification. Seller agrees to include similar language into each related subcontractor agreement. Seller might make hereunder appropriate language to the same effect. Seller is required to ensure that the manufacturing processes used meet the specifications and requirements of the Purchaser.

Items furnished hereunder may at any time be rejected for defects or defaults revealed by inspection, analysis, or by manufacturing operations or use after delivery even though such Items may have previously been inspected and accepted. Such rejected Items may be returned to the Seller for full refund to Purchaser, including shipping and transportation charges in accordance with Purchaser's procedures specified in the Chargeback Policy in the Standard.

**12. Warranties**

The Seller warrants all Items delivered hereunder to be free from defects or materials or workmanship, to be of good and merchantable quality, and to conform strictly to any specifications, drawings or samples which may have been specified or furnished by the Purchaser, and shall be free from defects and be fit and sufficient for the purpose intended by the Purchaser. The Seller further warrants that the Seller will have good title to the Items free and clear of all liens and encumbrances and will transfer such title to Purchaser. The warranties and agreements of Seller herein contained are in addition to, and not in substitution of, any other warranties specified herein or implied by applicable law and shall survive any inspection, delivery, acceptance or payment by the Purchaser. Seller shall reimburse Purchaser for all damages to Purchaser caused by faulty materials, improper workmanship or improper packing or shipping on the part of Seller, and Purchaser may, at its option, offset the purchase price hereunder by any such amounts, unless such faulty materials were caused by Purchaser’ design. In the event of any ambiguities in specifications, drawings, or any other requirements of this Purchase Order whatsoever, Purchaser’ interpretations thereof shall be conclusive and binding.

**13. Freight Terms**

(a.) All domestic shipments originating within the United States will be shipped FOB, Hazel Green, KY, unless otherwise specified on the face of this Purchase Order.

(b)For international shipments, in the event that INCOTERMS 2010 are provided for on the face of this Purchase Order, the elections made by such terms shall govern the transaction provided for in this Purchase Order.

(c) For international shipments, in the event INCOTERMS 2010 are not specified on this Purchase Order, title and risk or loss to and with respect to the terms shall remain in the Seller until the Items in a completed state have been delivered to and accepted by the Purchaser or, upon written authorization of the Purchaser, to an agent or consignee duly designated by the Purchaser at the location specified on the face hereof. Items which are to be shipped shall be shipped DDP (INCOTERMS 2010), Purchaser destination, unless otherwise specified by the Purchaser. Any charge made for transportation as authorized by Purchaser must be accompanied by the carrier’s original bill. A packing slip must accompany each such shipment and if a shipment is to a consignee or agent of the Purchaser a copy of the packing slip shall be forwarded concurrently to the Purchaser. If routing is not specified, the Seller shall contact Purchaser's Transportation Department at 1-800-548-6614, to insure delivery to Purchaser’s premises on or before the specified delivery date.

**14. Marking, Packaging and Routing Shipments**

Seller agrees to abide by the Standard with respect to identifying requirements for uniform marking, packaging, and transporting of goods therein. Seller shall assume the responsibility of adhering to all guidelines and requirements in the Standard unless otherwise authorized in writing by Purchaser.

**15. Logo and Other Designs**

Any logo designs contained herein or any products specified in this Purchase Order are the sole property of Purchaser or Purchaser’s customer. Purchaser has received written authorization to duplicate this logo in accordance with appropriate specifications. Purchaser grants Seller the permission to utilize this logo as specified for the sole purpose listed on this Purchase Order. Any reproduction of the logo for purposes other than those listed on the Purchase Order is a violation of the law and Seller may risk prosecution from Purchaser and/or Purchaser’s customer. Any Items produced with said logo not shipped to Purchaser or Purchaser’s customer are to be destroyed and can in no way be distributed to any other party without the prior written consent of Purchaser or Purchaser’s customer.

**16. Liabilities and Indemnity**

The Seller shall defend, indemnify and hold harmless the Purchaser,

its agents, consignees, employees and representatives from and

against all expenses, costs, damages, claims, suits, or liabilities

(including attorney’s fees of the Purchaser) of every kind

whatsoever asserted against or incurred by Purchaser at any time by

reason of, arising out of, or in any way due to or resulting from, in

whole or in part, the Items, including but not limited to the

preparation, design, manufacture, construction, completion,

warnings, instructions, or delivery of the Items, the failure of the

Items to comply with any standard, regulation, code, or statute, or

any act or omission by any subcontractor of the Seller relating to

the Items, and excluding only such damages as are caused solely

by the active and independent negligence of the Purchaser, which

does not include, among other things, the Purchaser’s use,

processing, incorporation, or sale of the Items or Purchaser's alleged

failure to discover or warn of a condition caused or permitted to

exist by the Seller or any subcontractor.

**17. Damages in Shipment**

Risk of loss or damage in shipment, transit and delivery, concealed or otherwise, to goods ordered under this Purchase Order shall remain with Seller until receipt of goods by Purchaser from carrier at Purchaser’ facility or final acceptance, whichever is later. The obligation of this Section shall not be varied by trade usage, course of dealing or course of performance or by the use of trade terms such as F.O.B., F.A.S. or the like, irrespective of whether this Purchase Order is deemed to be of a shipment or destination type.

**18. Insurance**

Seller agrees to obtain and maintain at its expense, and agrees to furnish Purchaser with satisfactory evidence of the following insurance coverage:

1. Workers compensation and employers’ liability insurance covering its employees while on the Purchaser’s premises that complies with the statutory minimum requirements in the applicable state(s);
2. One or more commercial general products liability insurance policies with minimum limits of bodily injury and/or property damage; $1,000,000 each occurrence; general policy aggregate: $2,000,000; products/completed operations aggregate: $2,000,000; Umbrella liability insurance with minimum limits of $5,000,000 per occurrence, $5,000,000 aggregate, in excess of the underlying coverage required above.

Seller shall furnish to purchaser a copy of the applicable additional insured endorsement and a certificate from a reputable broker which evidences the kinds of insurance coverage and the limits specified above, and identifies LION GROUP, INC.as an additional insured as to general and auto liability coverage. Such policies of insurance shall not be cancelable except upon ten (10) days written notice to Purchaser and proof of such insurance shall be furnished by the Seller to the Purchaser. In addition, such policies shall protect all subcontractors of the Seller. The Seller agrees to make prompt written report to the insurance company involved of all accidents, occurrences, injuries or losses which may occur and of any all claims made against the persons insured under said policies of insurance and to send copies of such reports to the Purchaser.

**19. Patents, Copyrights and Trademarks**

The Seller shall defend, indemnify and hold harmless the Purchaser from any and claims from infringement of any patent, copyright, trademark, or trade dress by reason of the manufacture, use or sale of the Items and shall indemnify the Purchaser for any costs, expenses, liability and damages, including attorneys’ fees, which the Purchaser may incur by reason of any alleged infringement.

**20. Force Majeure**

In the event of causes beyond the control of the Purchaser, such as fire, flood, strikes, accidents, transportation difficulties, or rules or regulations of any governmental authority, which would make it unwise in Purchaser’s discretion to accept delivery hereunder, Purchaser shall have the option to cancel this Purchase Order without liability or delay the delivery or completion of all or a part of the Items.

**21. Cancellation and Termination**

Purchaser reserves the right to cancel at any time all or any part of this Purchase Order for any breach by Seller including if (a) the Seller becomes insolvent; (b) a petition under any chapter of the bankruptcy laws is filed by or against the Seller; (c) the Seller makes a general assignment for the benefit of creditors; (d) a receiver is requested or appointed for the Seller or the Seller’s assets; (e) the Seller should fail to use properly skilled personnel (f) the Seller should fail to make prompt payment to any subcontractors it may have for any material, labor, transportation, supplies, fuel, use of equipment or other expenses it incurs in the production or construction of the Items; or (g) Seller should fail to comply with any of its obligations in this Purchase Order, then, in such events, the Purchaser may terminate this Purchase Order and take possession of the Items in whatever stage of completion they may be or employ such other person or persons to finish the Items and collect from the Seller any additional expense or damage which the Purchaser may suffer.

**22. Taxes**

Except as may be otherwise provided in this Purchase Order, the contract price includes all applicable federal, state and local taxes. The Seller shall also pay as required by applicable laws, all payroll taxes or contributions or payments for unemployment insurance or Workmen’s Compensation insurance or old age pensions or annuities, including social security contributions, and shall hold the Purchaser harmless from any assessments against the Purchaser in connection therewith. The Seller shall fully comply with all applicable employers’ liability laws and Workmen’s Compensation acts of each state or political subdivision in which the Items are to be manufactured, constructed or located. The Seller shall furnish the Purchaser with evidence of the foregoing satisfactory to the Purchaser if the Purchaser requests.

**23. Public Licenses and Permits**

The Seller shall be required to obtain and pay for any licenses, permits, and inspections by public bodies required in connection with the Items.

**24. Confidentiality**

Any purchase order, specification, drawings, notes, instructions, engineering notices or technical data referred in this Purchase Order shall be deemed to be incorporated herein by reference the same as if fully set forth. The Purchaser shall at all times retain title to all such documents and Seller shall not disclose such to any party other than Purchaser or a party duly authorized by the Purchaser. Upon the Purchaser’s request or upon completion and delivery of the Items, the Seller shall promptly return all such documents to the Purchaser. Seller shall not disclose any such information to any third party, including any independent contractor, unless such person has signed a written confidentiality agreement with the Purchaser. Seller shall not utilize such information for any purpose other than the performance of its obligations hereunder and shall not disclose nor permit persons under its control to disclose such information to any third party. Failure of Seller to observe this provision shall constitute a material breach of this Purchase Order.

**25. Liens**

The Seller hereby waives its right to any mechanic’s lien or other lien under any applicable statutes or otherwise for work done or materials furnished in connection with the Items. At the Purchaser’s request, the Seller shall obtain from any subcontractor or material man prior to the performance of any work on the Items of the furnishing of any materials for the Items, a written waiver satisfactory to the Purchaser of its right to any such lien and shall deliver such waiver to Purchaser promptly upon receipt therefore. If at any time there shall be evidence of the existence of any lien or claim the Purchaser may use moneys then due or to become due hereunder to discharge such lien or satisfy such claim and credit such amounts against the amounts due or to become due to the Seller.

**26. Premises**

(a) If work is to be performed hereunder on premises of the Purchaser, the Seller represents that it has examined the premises and any specifications or other documents furnished in connection with the Items and that it has satisfied itself as to the condition of the premises and site and agrees that no allowance shall be made in respect of any error as to such on the part of the Seller.

(b) If work is to be performed hereunder on premises of the Purchaser, the Seller shall at all times keep the premises free from accumulations of waste material or rubbish. At the completion of the Items the Seller shall leave the premises and the Items broom-clean.

**27. Purchaser’s Rights and Remedies**

Any rights or remedies granted to the Purchaser in any part of this Purchase Order shall not be exclusive of, but shall be in addition to any other rights or remedies granted in another part of this order and any other rights or remedies that the Purchaser may have at law or in equity in any such instance.

**28. Waiver**

Failure of Purchaser at any time to insist upon strict performance of any of the terms and conditions hereof by Seller, its successors or assigns, shall not be deemed a waiver thereof or of any antecedent breach for failure to perform, nor shall it be deemed a waiver of any of the remedies that Purchaser shall have, nor shall it alter or modify in any manner Seller’s obligation to perform this Purchase Order strictly according to its terms in the future. This Section is not subject to modification by trade usage, course of dealing, course of conduct or in any other manner except by prior written consent of Purchaser.

**29. Assignment**

Neither party may assign this Purchase Order or any right there under without the prior written consent of the other except that the Purchaser shall have the right to assign it to any entity into which it shall be merged, with which it shall be consolidated, or by which it or all or substantially all of its assets shall be acquired. In the event of any assignment of Seller’s rights, or delegation of Seller’s obligations, Purchaser expressly reserves the right to assert any and all defenses, set-offs or recoupments which Purchaser may have against Seller, however arising, against any and all payment due hereunder to Seller or any successor or assignee thereof. No delegation of performance shall relieve Seller of any duty to perform hereunder or of any liability for breach hereof.

**30. Entire Agreement**

The terms and conditions of this Purchase Order, including the face of this Purchase Order, set forth the entire agreement between the parties hereto and supercede all previous communications, representations or agreements, whether oral or written, between the parties hereto with respect to the subject matter hereof, and when accepted by Seller, shall become the complete and exclusive binding contract between Purchaser and Seller pertaining to the matters contained herein.

**31. Severability**

Each Section of this Purchase Order is distinct and severable. If any Section of this Purchase Order, in whole or in part, is or becomes illegal, invalid, void, voidable or enforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidty or unenforceability of that Section, in whole or in part, will not affect:

1. The legality, validity or enforceability of the remaining Sections of this Purchase Order, in whole or in part; or
2. The legality,validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

**31. Governing Law and Forum Selection**

This order, any associated forms, and the purchase of any item hereunder shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to its conflict of law provisions. Any litigation arising out of or related to this order shall be filed only in the United States District Court for the Southern District of Ohio, Western Division, Dayton, or the Court of Common Pleas of Montgomery County, Ohio. Seller hereby consents and submits to the sole and exclusive jurisdiction and venue of those courts, and waives any objection based on the convenience of those exclusive venues.

**32. Compliance with Federal Employment Law**

By accepting this order, the Seller agrees that it will comply with Executive Order 11246, as amended, concerning Equal Employment Opportunity, and the Affirmative Action Clauses contained in 41 CFR parts 60250 and 60741, and Section 503 of the Rehabilitation Act of 1973, and Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, and the regulations of 41 CFR 60-1 through 6060, 60250 and 60741, to the extent applicable.

**33. Vienna Convention**

The United Nations Convention on Contracts for the International Sale of Goods (also called the Vienna Convention) will not be applicable to this Purchase Order or the transactions contemplated by this Purchase Order.