

## **TERMS AND CONDITIONS OF PURCHASING**

Following are the terms and conditions that are applicable to every purchase order issued by **Techni-Cast Corp.** and shall remain in effect until further notice. Should you have any questions or require clarification regarding any of the following, it is your responsibility to contact us for clarification.

- 1. Acceptance-Agreement** - Seller's commencement of work on the goods subject to this purchase order or shipment of such goods, whichever occurs first shall be deemed an effective mode of acceptance of this purchase order. Any acceptance of this purchase order is limited to acceptance of the express terms contained on the face of any purchase order submitted by Purchaser and those terms contained herein. Any proposal for additional or different terms or any attempt by Seller to vary in any degree any of the terms of any Purchaser's purchase order or the terms contained herein is hereby objected to and rejected, but such proposals shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods, but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by Seller without said additional or different terms. If this purchase order shall be deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms contained on the face of any purchase order submitted by Purchaser and those terms contained herein.
- 2. Cancellation or Change of Purchase Orders** - Purchaser reserves the right to cancel this order or any part hereof for its sole convenience. In the event of such cancellation, Seller shall immediately stop all work hereunder, and shall immediately cause any of its suppliers or subcontractors to cease such work. Seller shall be paid a reasonable cancellation charge consisting of a percentage of the order price reflecting the percentage of the work performed prior to the notice of cancellation, plus actual direct costs resulting from cancellation. Seller shall not be paid for any work done after receipt of the notice of cancellation, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided.
- 3. Proprietary Information Confidentiality** - Seller shall consider all information furnished by Purchaser to be confidential and shall not disclose any such information to any other person, or use such information itself for any purpose other than performing this contract, unless Seller obtains written permission from Purchaser to do so. This paragraph shall apply to drawings, specifications, or other documents prepared by Seller for Purchaser in connection with this order. Seller shall not advertise or publish the fact that Purchaser has contracted to purchase goods from Seller, nor shall any information relating to the order be disclosed without Purchaser's written permission. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Seller to Purchaser shall be deemed secret or confidential and Seller shall have no rights against Purchaser with respect thereto except such rights as may exist under patent laws.
- 4. Warranty** – Seller expressly warrants that all goods or services furnished under this agreement shall conform to all specifications and appropriate standards, and will be free from defects in material or workmanship. All warranties shall survive acceptance and payment.
- 5. Price Warranty** – Seller warrants that the prices for the goods sold to Purchaser hereunder are not less favorable than those currently extended to any other customer for the same or similar goods in similar quantities. In the event Seller reduces its price for such goods during the term of this order, Seller agrees to reduce the prices hereof correspondingly. Seller warrants that prices shown on this purchase order shall be complete, and no additional charges of any type shall be added without Purchaser's express written consent. Such additional charges include, but are not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, crating.

- 6. Force Majeure** - Purchaser may delay delivery or acceptance occasioned by causes beyond its control. Seller shall hold such goods at the direction of the Purchaser and shall deliver them when the cause affecting the delay has been removed. Purchaser shall be responsible only for Seller's direct additional costs in holding the goods or delaying performance of this agreement at Purchaser's request. Causes beyond Purchaser's control shall include governmental action or failure of the government to act where such action is required, strike or other labor trouble, fire, or unusually severe weather.
- 7. Insurance** – Seller shall maintain such public liability insurance, including products liability, completed operations, contractor's liability and protective liability, automobile liability insurance (including non-owned automobile liability) and Workmen's Compensation and employer's liability insurance as will adequately protect Buyer against such damage, liabilities, claims, losses and agreements incorporating such requirements in forms approved by Buyer.
- 8. Changes** – Purchaser shall have the right at any time to make changes in specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and this agreement shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph.
- 9. Patents** – Seller warrants that the goods will not infringe any United States patent, copyright or trademark. Seller shall hold Buyer, its successor, assigns, and customers harm-less from all liability, costs and expenses (including attorneys' fees) by reason of any such infringement or claim thereof, and after notice, Seller shall appear and defend at its own expense by counsel acceptance to Buyer any suits based on any infringement or claim thereof.
- 10. Inspection and Rejection** – Payment for the goods delivered hereunder shall not constitute acceptance thereof. Purchaser shall have the right to inspect such goods and to reject any or all of said goods that are in Purchaser's judgment defective or nonconforming. Goods rejected and goods supplied in excess of quantities called for herein may be returned to Seller at its expense and, in addition to Purchaser's other rights, Purchaser may charge Seller all expenses of unpacking, examining, repacking, and reshipping such goods. In the event Purchaser receives goods whose defects or nonconformity is not apparent on examination, Purchaser reserves the right to require payment of damages. Nothing contained in this purchase order shall relieve in any way the Seller from the obligation of testing, inspection and quality control. Purchaser shall have the right, at reasonable times, to inspect Seller's premises.
- 11. Entire Agreement** – This purchase order and any documents referred to on the face hereof, constitute the entire agreement between parties.
- 12. Record Retention** – Our Organization requires that all External Providers are to retain all records associated with the purchase orders for a minimum of 10 years or as required by contract. Seller shall retain complete records relating to the manufacture, production, storage, shipment, transportation, and sales of good related to any order, and upon request will make these records available to Buyer or its agent.
- 13. Assignments and Subcontracting** – No part of this order may be assigned or subcontracted without the prior written approval of Purchaser.
- 14. Waiver** – No claim or right arising out of the breach of this Order by Seller can be discharged by a waiver of the claim or right by Purchaser unless the waiver is supported by consideration and is in writing signed by Purchaser.
- 15. Setoff** – All claims for money due or to become due from Purchaser shall be subject to deduction or setoff by the Purchaser by reason of any counterclaim arising out of this or any other transaction with Seller.
- 16. Shipment** – If in order to comply with Purchaser's required delivery date it becomes necessary for Seller to ship by a more expensive way than specified in this purchase order, any increased transportation costs

resulting therefrom shall be paid for by Seller unless the necessity for such rerouting or expedited handling has been caused by Purchaser.

- 17. Delivery** – If delivery of goods or rendering of services is not completed by the time promised, Purchaser reserves the right, without liability in addition to its other rights and remedies, to terminate this contract by notice effective when received by Seller as to goods not yet shipped or services not yet rendered and to purchase substitute goods or services elsewhere and charge Seller with any loss incurred.
- 18. Conflict Minerals** - With respect to any and all Goods (if any) delivered under the Purchase Order, Supplier warrants that such Goods will at no time contain any “conflict minerals” (e.g., columbite-tantalite (coltan), cassiterite, gold, wolframite or their derivatives), sourced from any of the “Covered Counties” (e.g., the Democratic Republic of the Congo) as such terms are defined in the Dodd-Frank Wall Street Reform and the US Consumer Protection. Supplier will immediately notify Buyer if at any time the foregoing representation becomes inaccurate or incomplete.
- 19. Indemnification** – Seller shall defend, indemnify and hold harmless Purchaser against all damages, claims or liabilities and expenses (including attorney’s fees) arising out of or resulting in any way from any defect in the goods or services purchased hereunder, any breach of the terms and conditions of this order, or from any act or omission of Seller, its agents, employees or subcontractors. This indemnification shall be in addition to the warranty obligations of Seller.
- 20. Compliance with Laws** – Seller agrees to comply with all federal, state, local and governmental agency laws, ordinances, rules and regulations in the manufacture and sale of the goods and in the performance of services covered in this Order.

#### **AS9100-D, SECTION 8.4.3 EXTERNAL PROVIDERS QUALITY TERMS AND CONDITIONS REQUIREMENTS**

- 21.** Our Organization requires that the External Provider shall maintain the proper identification and revision status specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
- 22.** Our organization reserves the right of final approval of product and services, methods processes and equipment, and the final release of products and services.
- 23.** Our Organization requires that all special processes required by this purchase order must be performed by competent qualified personnel.
- 24.** Our organization reserves the right to identify the requirements for interaction with our external providers including;
  - a. The use of interactive documentation.
  - b. The use of email/ fax
  - c. Documented confirmation methods of all verbal interactions.
- 25.** Our organization reserves the right to monitor our external provider’s performance including;
  - a. Supplier Risk
  - b. Quality of product or service delivered.
  - c. On time delivery of product or service.
- 26.** Our organization reserves the right to designate requirements for verification or validation activities that we or our customer, intend to perform at the external providers’ premises.
- 27.** Our organization reserves the right to approve or specify any designs, tests, inspection plans, verifications, criteria for design and development required by our organization from an external provider.
- 28.** Our organization reserves the right to approve or specify any special requirements, critical items, or key characteristics.
- 29.** Our organization reserves the right to approve or specify any test, inspection, and verification (including production process verification).

- 30.** Our organization reserves the right to approve or specify the use of statistical techniques for product acceptance and related instructions for acceptance by our organization.
- 31.** Our organization reserves the right to require the need from External providers to:
- a. Implement a Quality Management System and we reserve the right to review and approve the External Providers Quality Management System.
  - b. Require that the External Provider uses customer-designated or approved external providers, including process sources (e.g., special processes)
  - c. Require the External Provider to notify our organization of nonconforming product or services immediately upon discovery, and obtain our organizational approval for nonconforming product disposition.
  - d. Wherever applicable our organization reserves the right to require external providers to show evidence of processes to prevent the use of counterfeit parts.
  - e. The External Provider is required to: Notify our organization of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations, our organization reserves the right to approve such changes.
  - f. All External Providers are required to: Flow down to the supply chain the applicable requirements including customer requirements.
  - g. Our Organization reserves the right to require External Providers to provide test specimens for design approval, inspection/verification, investigation, or auditing.
  - h. Our Organization requires that all External Providers are to retain all records associated with the purchase orders for a minimum of 10 years or as required by contract.
  - i. Our organization requires the disposition of such documents to be controlled in accordance with the requirements of applicable QMS's.
- 32.** Our organization reserves the right of access by our representatives, our customers, and any regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
- 33.** Our Organization reserves the right to require and request evidence of External Providers ensuring that their personal are aware of:
- their contribution to product or service conformity;
  - their contribution to product safety;
  - the importance of ethical behavior.