



SUPERIOR TECHNICAL CERAMIC Terms and Conditions

1. Applicability of Terms and Conditions

These Terms and the accompanying quotation, sales order confirmation, invoice or other documents provided by Superior Technical Ceramics (“Seller” or “STC”) constitute an offer (this “Offer”) by STC to sell to the buyer to which this Offer is directed (“Buyer”) the goods (“Goods”) and/or services (“Services”) identified in this Offer. This Offer consists of these Terms and the accompanying quotation, sales order confirmation, invoice or other documents provided by STC and contains all and the only terms and conditions upon which STC will sell Goods and Services to Buyer. STC may withdraw or revoke this Offer at any time prior to Buyer’s acceptance. Unless otherwise indicated in writing, this Offer expires 30 days from the date of issuance by STC.

2. Acceptance and acknowledge of Offer

Buyer’s acceptance of this Offer will be confirmed by the earlier of Buyer timely (a) placing a purchase order or other request for STC to supply the Goods or Services, (b) providing any other written or oral indication that this Offer has been accepted and that the right to supply the Goods or Services has been awarded to STC, or (c) accepting delivery of the Goods or Services supplied by STC. Upon such acceptance, this Offer (including these Terms) will form a valid and binding supply contract and will constitute the entire agreement between Buyer and STC for the sale of Goods and Services (the “Order”). This Offer is expressly conditioned on Buyer’s unconditional acceptance of these Terms and the prices, specifications, and other terms stated in the Offer. STC expressly rejects all additional or different terms or conditions (i) submitted to STC in Buyer’s tender or request for proposal/quotation documents, purchase orders, shipping instructions or other acceptance documents, (ii) as set forth under any prime or other contract to which Buyer is a party, and (iii) implied by trade, custom, practice, or course of dealing.

Buyer acknowledges that such additional or different terms and conditions will be deemed material alterations to the Offer and will not form part of the Order. Fulfillment of this Order does not constitute acceptance of any of other terms and conditions and does not serve to modify, add to, or amend this Order, regardless of when or how such terms and conditions were submitted to STC.

3. Prices

STC reserves the right during execution of this Order to adjust the prices for Goods and Services if STC’s costs of performing the Services or producing, manufacturing, packaging, storing, or transporting the Goods increase as a result of (a) STC’s compliance with any new or amended rules, policies or Specifications of Buyer, (b) STC’s compliance with any new or amended law, regulation, or ordinance, including without limitation any change in, or introduction of, a tax and/or increased costs (such as the cost of acquiring permits or credits and plant modifications or additions) related to the management of greenhouse gas emissions or concentrations or the management of water usage or conservation, or (c) a significant change in STC’s costs for raw materials, wages, production of the Goods, or performance of the Services, as determined by STC in its sole discretion. Such price adjustments will become effective 30 days after the date STC provides Buyer with written notice of such price adjustment.

4. Payment

Payment in full shall be due and payable to Seller upon shipment of the product to Buyer. In cases where Seller has approved the Buyer for credit, then payment in full shall be due and payable within thirty (30) days of shipment of the product to Buyer. Any amounts unpaid after the due date set forth herein shall be subject to additional charges of 1.5% per month. Buyer shall pay to Seller all costs incurred by Seller in collecting any sums due hereunder, including but not limited to all attorney’s fees and court costs.

5. Specifications

STC will manufacture the Goods strictly in accordance with the drawings and/or specifications provided by Buyer or otherwise agreed upon by Buyer and STC in writing (the “Specifications”). If any of the Goods are to be manufactured in accordance with Specifications provided by Buyer, Buyer may make changes to the Specifications at any time upon reasonable advance notice to STC.

All products shall be cleaned and packaged in accordance with Seller’s customary standards. If Buyer requires special cleaning, packaging, or shipping, additional charges will apply.



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6. Delivery

Unless otherwise stated on the Order, delivery will be made FCA (FOB inside the US). Any dates specified for delivery of the Goods are an estimate only and time for delivery will not be made of the essence by notice to STC.

STC will not be liable for any delay in delivery of the Goods that is caused by an excusable delay, Buyer's failure to provide STC with adequate delivery or other instructions that are relevant to the supply of the Goods, or any other cause outside the control of STC. A delay will not entitle Buyer to terminate or rescind the Order, unless agreed to by STC.

In the event the entire quantity of product is not released by Buyer for shipment within twelve months of the date of the order, the entire order shall be shipped to Buyer, unless otherwise agreed in writing by Seller.

7. Title and Risk of Loss

Risk of loss and title will pass to Buyer upon delivery at the Shipment Point. Until full payment of the purchase price of the Goods and as collateral security for that full payment, Buyer hereby grants to STC a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds). The security interest granted constitutes a purchase money security interest under the UCC in effect in the state where the Shipment Point is located.

Buyer shall bear all risk, loss, or damage to goods in transit. Buyer shall file any claims for shipping damage with the carrier.

8. Acceptance

Unless otherwise stated on the Order, Buyer must accept delivery of the Goods within 5 days of STC's notice to Buyer that the Goods have been delivered to the Shipping Point. If for any reason Buyer fails to accept delivery of any of the Goods within such 5 day period, then: (a) the Goods will be deemed to have been delivered and accepted by Buyer; (b) risk of loss to the Goods will pass to Buyer; and (c) STC, at its option, may store the Goods until Buyer receives them, whereupon Buyer will be liable for all related costs and expenses (including, without limitation, storage and insurance).

9. Inspection and Revocation of Goods and Services

Buyer must inspect the Goods for any apparent defect, damage, or shortage within at least 30 days of the date of delivery. Buyer must provide written notice to STC of any defect, damage, or shortage within such 30 day period. If Buyer does not provide notice within such 30 day period, Buyer will be deemed to have accepted the Goods and will not be entitled to object to or reject the Goods or any portion of them.

10. Quantity

All quantities are subject to an over-run or under-run of ten percent (10%) of the quantity ordered. Orders requiring exact quantity shipments will incur an additional surcharge.

STC may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each partial shipment will constitute a separate sale, and Buyer will pay for the units actually shipped. Nothing herein will relieve either party from fulfilling the obligations set forth herein, and Buyer will not be entitled to object to or reject the Goods or any portion of them by reason of a surplus, shortfall, or partial shipment.

11. Cancellation

Buyer may not cancel its order after it is placed with Seller without the written consent of STC. All cancellations shall be subject to a Cancellation Fee for all costs incurred, including tooling, engineering, materials and manufacturing (both finished goods and Work In Progress), and all other costs of processing the cancellation.

12. Non-Recurring Engineering Charges

Tools, dies, jigs, fixtures, gauges, and product engineering and design are considered an integral part of STC's manufacturing process ("NRECs"). STC retains all ownership rights and title to all NRECs. No NRECs will be retained by Seller beyond three years after their last use.

13. Customer Supplied Materials

Any manufacturing material(s) provided by Buyer shall be in ample quantities to allow for reasonable scrap, and all such material(s) must be of suitable quality to facilitate efficient production. STC is not responsible for loss or damage to any materials supplied by Buyer, whether such loss or damage occurs in or outside the course of normal manufacturing processes.

An MSDS of the material is subject to review by STC before accepting an order.



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14. Export Administration Regulations (EAR)

All orders are subject to review and compliance with the Export Administration Regulations (EAR), including review of lists maintained by the Bureau of Industry and Security (www.bis.doc.gov). In the event a license is required for shipment of the purchased product, STC will apply for the necessary license and product shipment will be subject to approval and receipt of such license. Additional costs may be applied in the event a license is required. If STC determines that a license is not required for shipment of its product to Buyer, Buyer shall nevertheless adhere to all EAR requirements as defined by the Bureau of Industry and Security.

Buyer agrees that except as allowed under applicable U.S. laws and regulations or under appropriate export license or agreement, no export controlled item, data, or services furnished to it hereunder will be disclosed to any foreign person, firm, or country, including foreign persons employed by or associated with or under contract with Buyer. Buyer agrees that no technical data, information, or other items provided by STC in connection with this Order will be provided to any foreign persons or to a foreign entity, including without limitation, a foreign employee or subsidiary of Buyer (including those located in the U.S.), without the express written authorization of STC and Buyer's obtaining of the appropriate export license or other requisite authorization. Buyer shall first notify and obtain the written consent of STR prior to submitting any request for any export license. Buyer shall not disclose any technical data, information, or other items provided by STC for any purpose not contemplated under the terms of this Order and as authorized pursuant to the applicable license. Notwithstanding any other provision in these Terms, Buyer shall indemnify STC for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by STC in connection with any violations, or alleged violation, of any U.S. export control laws and regulations.

If STC determines that an order is not in compliance with all government regulations, STC may cancel such order(s) at any time. STC does not assume any liability for goods resold by Buyer unless such resale or intended resale is fully disclosed to Seller at the time the order is placed with Seller.

15. Reschedules and Changes

Unless otherwise stated in this Order, all Goods ordered by Buyer must be deliverable no later than 12 months after the date of this Order. Changes in the delivery schedule initiated by Buyer must be agreed to in writing in advance by STC and will incur the following minimum fees (expressed as a percentage of the rescheduled shipment's value): within the same shipping month = 0%, 1 to 3 months = 2% per month, 3 to 6 months = 3% per month.

Rescheduling requests exceeding 6 months or requests to place an order on indefinite "HOLD" will be treated by STC as an improper termination of this Order by Buyer, and STC will have all rights and remedies under this Order or at law related to such termination.

In the event that Buyer actually purchases a quantity of Goods less than the ordered quantity, Buyer will pay for the shipped quantity at the recalculated unit price (as determined by STC in its reasonable discretion), and the balance of this Order will be cancelled.

16. Excusable Delays

In the event that STC's compliance with the terms and conditions of this Agreement is prevented, wholly or in part, by riots, strikes, wars (declared or undeclared), insurrection, rebellions, terrorist acts, civil disturbances, dispositions or orders of governmental authorities, acts of God, or by any other act or cause (other than financial distress or inability to pay debts when due) which is beyond the control of STC, such cause being herein called "Force Majeure," STC shall give notice in detail of Force Majeure condition in writing to the Buyer as promptly as possible after its occurrence. In such case, the obligations of the STC shall be suspended during the continuance of the Force Majeure condition.

17. Liability and Indemnities

Buyer shall indemnify STC from and against any losses, expenses, damages, and claims resulting from infringement or claimed infringement of patent or other industrial proprietary or protected rights, in connection with the manufacture and sale of any product manufactured to Buyer's specifications, as well as for all damages, losses, expenses, and claims arising from STC's use of any material(s) provided to STC by Buyer. Buyer further agrees to defend and indemnify STC from and against any claims brought against STC as a result of any action or inaction on the part of Buyer.

18. Warranty

STC expressly warrants that all products sold to Buyer will: (a) be free from all liens, charges, encumbrances, or claims of any person; (b) conform in all respects to all applicable laws, regulations, standards, rules and orders of any applicable governmental authority; (c) meet or exceed the specifications, drawings, designs, or samples provided or agreed to by Buyer; and (d) be delivered, performed, assembled, or constructed in a good and workmanlike manner.

STC warrants that, for a period of 12 months from the date of delivery of the Goods to the Shipping Point, the Goods manufactured by STC and provided under this Order will: (a) be free from material defects in material and workmanship; and (b) materially comply with the Specifications. These warranties do not apply to any



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Goods or materials that are manufactured by a third party and that constitute, contain, or are incorporated into, attached to, or packaged with the Goods. These warranties also do not apply if (i) the damage to or defect in a Good is caused by abuse, misuse, accident, neglect, improper testing, installation, or handling, abnormal physical stress or environmental conditions, or use contrary to STC's instructions, (ii) Buyer or its agents or customers make further use of the Goods after discovery of a defect in such Goods, or (iii) Buyer or its agents or customers alter or repair the Goods without the prior written consent of STC.

Seller hereby expressly denies and negates all other warranties, including but not limited to the WARRANTY OF FITNESS FOR PURPOSE and the WARRANTY OF MERCHANTABILITY

IN NO EVENT WILL STC BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES OR LOSSES ARISING FROM A FAILURE OF THE GOODS OR SERVICES TO CONFORM TO THE WARRANTIES. The purpose of these express exclusive warranty remedies is to provide Buyer with replacement, exchange, re-performance, or credit for nonconforming Goods or Services. The exclusive remedies will not be deemed to have failed for their essential purpose as long as STC is willing and able to replace, exchange, or credit such non-conforming Goods or Services.

19. Returns & Return Material Authorization

Unless otherwise specified, parts are inspected to a 2.5 Acceptable Quality Level (AQL). Any claim(s) for defective parts must be made within thirty (30) days from the date of shipment to Buyer. Goods may not be returned to STC without first obtaining a Return Material Authorization (RMA) number. Returns from Buyer which are not accompanied by an RMA number shall be rejected by STC and all freight charges for said return shall be at Buyer's sole risk and expense.

20. Limited Liability

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL STC BE LIABLE TO BUYER OR TO ANY THIRD PERSON WITH RESPECT TO THE SUBJECT MATTER OF THIS ORDER, UNDER ANY EQUITY, COMMON LAW, TORT, CONTRACT, NEGLIGENCE, ESTOPPEL, STRICT LIABILITY, WARRANTY, OR OTHER THEORY, FOR ANY INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR INDIRECT DAMAGES, OR DAMAGES RELATING TO DIMINUTION OR DEPRECIATION IN VALUE, DELAY OR IDLE TIME FOR LABOR AND EQUIPMENT, OR LOSS OF SALES, CONTRACTS, BUSINESS, PROFITS, REVENUES, PRODUCTION, SAVINGS, DATA, OPPORTUNITY, USE, REPUTATION, OR GOODWILL, EVEN IF THE REMEDIES PROVIDED FOR IN THIS ORDER FAIL FOR

THEIR ESSENTIAL PURPOSE AND EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF ANY OF THE FOREGOING DAMAGES OR THE FOREGOING DAMAGES COULD HAVE BEEN REASONABLY FORESEEN.

21. Intellectual Property

STC is the sole and exclusive owner of the IP associated with or attached to the Goods or Services. Any IP first made or conceived by STC in the performance of this Order, or which is derived from or based on information supplied by Buyer that is not otherwise subject to a separate written confidentiality agreement executed between the parties, will be the sole and exclusive property of STC. Buyer agrees that this Order does not grant to Buyer, and that Buyer will not obtain or claim, any right, title, interest, option, or license to any IP now or hereafter held by STC. Buyer further agrees that it will not decipher, decompile, disassemble, or reverse engineer any of the Goods sold hereunder. As used herein, "IP" means all rights in and to US and foreign (a) patents, patent disclosures and inventions (whether patentable or not), (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, and other similar designations of source or origin, together with the goodwill symbolized by any of the foregoing, (c) copyrights and copyrightable works (including computer programs), and rights in data and databases, (d) trade secrets, know-how and other confidential information, and (e) all other intellectual property rights, in each case whether registered or unregistered and including all registrations and applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

22. Confidentiality

All non-public, confidential, or proprietary information of STC (including, without limitation, the terms of this Order and any specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates) disclosed by STC to Buyer or which Buyer becomes aware in the course of carrying out its obligations under this Order, whether disclosed orally or in written, electronic or other form or media, and whether or not identified as "confidential," is confidential and may not be disclosed or copied by Buyer without STC's prior written consent. Upon STC's request, Buyer will promptly return all documents and other materials of STC. STC will be entitled to injunctive relief for any violation.

All information exchanged between Seller and Buyer, whether oral or written, shall be treated as confidential and shall not be disclosed to a third party without the consent of the other party to this Agreement.



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23. Subcontract & Assignment

STC expressly reserves the right to subcontract all or part of this Order without the consent of Buyer. STC reserves the right to assign any of its rights or obligations under this Order without the consent of Buyer. Buyer will not assign any of its rights or obligations under this Order without the prior written consent of STC.

24. Taxes

Prices do not include, and Buyer is responsible for the payment of all, taxes associated with the Goods and Services provided hereunder, including without limitation sales, use, excise, rental, VAT, personal property, and any other taxes or assessments levied by any foreign, federal, state, municipal, or other governmental authority. All such taxes shall be added to any prices quoted to Buyer.

25. Aircraft Components

Unless otherwise stated on the Order, Buyer warrants that the Goods or Services are not intended for use as components or components of assemblies used in aircraft (military or commercial).

26. Medical Devices

Unless otherwise stated on the Order, Buyer warrants that the Goods or Services are not intended for use as components or components of assemblies used in implantable medical devices, are not finished medical devices, and are not medical devices requiring FDA approval.

27. Jurisdiction and Venue

The laws of the State of Vermont will govern, and interpret this Order, notwithstanding conflict of laws.

The federal and state courts in the State of Vermont will have exclusive jurisdiction over all disputes and controversies arising out of this Order. Any court proceedings shall be brought in the Superior Court, Chittenden County, Vermont.

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