



TERMS AND CONDITIONS OF SALE AND SERVICE

The accompanying quote(s) or sales order acknowledgement(s) (the "Order") and these Terms and Conditions of Sales and Service set forth the entire contract agreement between Buyer or its direct or indirect subsidiaries and affiliates, and A&B Precision Metals, Inc. ("Seller") for the products, parts, components, spares, upgrades, software ("Products") and/or any services set forth in the Order ("Services"). Unless otherwise stated in writing, quotations expire automatically thirty (30) days from the date issued. Quotations are made subject to receipt and approval of Buyer's credit package. All quotations are subject to change or withdrawal without prior notice to Buyer. Seller may refuse orders and has no obligation to supply Products or Services unless Seller issues an order acknowledgement, and no Buyer credit or payment issues then exist.

ACCEPTANCE

By its placement of any purchase order with Seller for, or acceptance of delivery of any Products or Services, Buyer expressly agrees to be bound by these terms and conditions. FAILURE BY THE BUYER TO SPECIFICALLY OBJECT TO THESE TERMS AND CONDITIONS OF SALE IN WRITING WITHIN TEN (10) DAYS OF RECEIPT OF THESE TERMS SHALL CONSTITUTE AN ACCEPTANCE HEREOF. Additionally, fulfillment of Buyer's order does not constitute acceptance of any Buyer's terms and conditions and does not serve to modify or amend this Contract. Seller hereby rejects any additional, modified, or different terms or conditions proposed by Buyer, whether or not contained in any Buyer's business forms or on Buyer's website, and such additional, modified, or different terms and conditions shall be void and of no effect unless in writing specifically agreed to by Seller specifically referring to and agreeing to the change. Notwithstanding anything herein to the contrary, if a written contract signed by both parties covers the sales of the Products and Services covered hereby, the terms and conditions of that Contract shall apply.

BUYER'S DUTY TO INSPECT

Buyer must immediately inspect all products for shortages, conformity with Order and any defects. If Products appear not to conform to the contract between Buyer and Seller, Buyer shall discontinue their use and immediately notify Seller of such condition and afford Seller a reasonable opportunity to inspect the same. If Buyer fails to provide Seller with notice of nonconformity within fifteen (15) days, Buyer shall be deemed to have accepted the Product(s). No material will be taken back and credited or replaced unless arrangements for return have been agreed to by the Seller. Buyer will be responsible for all costs and expenses associated with any returns of Products and will bear the risk of loss or damage of such Products, unless Seller agrees otherwise in writing.

SHIPMENT

Unless otherwise stated in writing by Seller, all prices are quoted FOB Seller's manufacturing facility. Buyer is responsible to pay all charges and assume all risks of transportation from the Seller's manufacturing facility. Seller shall not be liable for any loss or damage resulting from any delay in delivery or failure to deliver which is due to any cause outside of Seller's control. Buyer shall be responsible for making all claims with carriers, insurers, warehousemen, and others for mis-delivery, non-delivery, loss, damage, or delay. Seller shall ship Products via the method specified by Buyer. Absent specific written instructions from Buyer, Seller shall have the right to select the shipment method.

PRICING

All amounts are due and payable in US Dollars (\$) unless otherwise agreed in writing. All prices shall be as specified by the Seller, or as set forth in the accompanying Seller quote and/or order acknowledgment. Prices for Services during normal business hours and including travel time will be charged in accordance with the current Seller's hourly rate. A minimum of thirty (30) hours will be charged per Service visit to Buyer's facility. Services performed outside of normal business hours are subject to additional costs. The cost of any additional parts required by Supplier to perform the Services will be charged in addition to the hourly rate and invoiced separately to Buyer. Seller may impose additional surcharges to offset significant and unpredictable increases to the cost of manufacturing, shipping and services our Products. By issuing an order for our Products, Software and/or Services, Buyer agrees to pay these surcharges upon notification. Prices are exclusive of all excise, sales, use, transfer and other taxes (including without limitation VAT and GST as well as imports, exports and customs fees and duties, if applicable) imposed by any federal, state, municipal, or other government authority (including governments of countries other than the USA), insurance costs and licensing fees, all of which shall be paid by Buyer. Buyer is responsible for obtaining and providing to Seller any certificate of exemption or similar document required to exempt any sale from sales, use, or similar tax liability. In the absence of proper evidence of exemptions, Buyer shall reimburse Seller for all taxes, excises, duties, imports, or other charges which Seller may be required to pay any government (national, state, or local) or measured by the production of any phase or part of the production, storage, sale, transportation, delivery, and/or use of the Products.

TERMS OF PAYMENT

Where Seller has extended credit to Buyer, unless otherwise agreed in writing by Seller, payment shall be made in full within thirty (30) days following the shipment date. Seller reserves the right at any time to change the amount of credit extended or to withdraw credit entirely if, in Seller's sole discretion, Buyer's financial condition or previous payment record so warrants. On any order on which credit is not extended by Seller, Buyer will make payment in full in advance of shipment. If, in the judgement of the Seller, the financial condition of the Buyer at any time does not justify continuation of production or shipment on the terms of payment originally specified, the Seller may require full or partial payment in advance and, if such payment is not made, Seller shall be entitled to cancel any order then outstanding and Buyer shall pay Seller's cancellation charges which may include labor and materials. Absolutely no early payment discount will be allowed unless stated in a separate written agreement executed between Seller and Buyer. Notwithstanding any early payment discount agreement, certain items are expressly excluded from discount terms, including but not limited to, 1) Buyer reimbursements of tariffs paid by Sells, 2) payment of Seller claims for stale, excess or obsolete inventory, and 3) Seller invoices for customer or specialty raw materials purchased and/or produced at the request of Buyer.



Buyer's failure to make payment when due will be a material breach of this contract, and Seller, at its sole discretion, and without incurring any liability, may either terminate the Order or suspend performance or suspend further deliveries under than and/or any other agreements with Buyer. Under no circumstances will Buyer have a right of set off. In the event Seller initiates any proceeding to collect any amount due from Buyer, Buyer will be liable for all collection costs and expenses, including but not limited to reasonable attorney fees and expenses. All overdue payments will be charged a periodic rate of 1.5% per month finance charge, such charges not to exceed the maximum charge permitted by law. Seller reserves, and Buyer grants to Seller, a security interest in all Products sold and all proceeds to secure the full payment and performance by Buyer of its liabilities and obligations to Seller hereunder. Buyer acknowledges that this document or copies of this document may be filed with the appropriate authorities as a financial statement and agrees to execute and deliver such other documents as Seller may require in order to perfect its security interest. Seller shall have the right to terminate any Order, or to delay the shipment thereof, by reason of Buyer's bankruptcy or insolvency, or the dependency of any proceedings against Buyer under any statute for the relief of debtors, or Buyer's breach of this Contract.

CANCELLATION CHARGES

Any request for cancellation must be provided in writing and approved by the Seller prior to Product shipment or performance of Services. Buyer shall pay to Seller a cancellation charge that is equal to the cost of all material procured and on order that cannot be cancelled by Seller without Charge, along with the actual cost and expenses Seller has incurred, if any, that are related to the cancelled Order for items including but not limited to labor, engineering, fabrication, assembly and appropriate overhead and loss of profit. Where Seller has agreed to a return of a Product in writing, any such return is subject to inspection after receipt by Seller. Buyer may not return any customized Product. All returns must be accompanied by a return material authorization number ("RMA#") issued by Seller's Return Department. Buyer bears all risk of loss or damage to the returned Products until delivery at Seller's designated facility. Any return shipment received by Seller shall be in its original condition. If Buyer orders the Products through the issuance of one or a series of blanket purchase orders, such blanket purchase orders shall be binding and non-cancelable. If no release schedule is provided in the blanket purchase order, Buyer is required to issue releases covering the total quantity in the blanket purchase order prior to the expiration date of the blanket purchase order, or if no expiration date is included, no later than six (6) months from the issuance of the blanket purchase order, always taking into account Seller's standard lead times for the applicable Product. If Seller is building to forecast in the absence of a blanket purchase order, Buyer shall provide to Seller a forecast of its requirements for Products, updated by Buyer at least monthly (the "Forecast"). Buyer shall be liable for seven (7) weeks of Products immediately following the date of each Forecast (the "Committed Purchases"). Buyer shall take delivery of the Committed Purchases in accordance with the agreed upon delivery dates and if no delivery dates have been agreed upon, within two (2) months from the applicable Forecast date.

DELIVERY

Shipment dates are approximate and are based on numerous factors, including but not limited to, prompt receipt of all necessary information from Buyer. Seller will not be liable to Buyer for delays or failures in performance, including late delivery and non-delivery, arising from strikes, fire, flood, earthquake, war, riot, accident, explosion, epidemic, embargo, acts of God, civil or military authority, changes in law, relation or governmental policy, acts or omissions of vendors or suppliers, transportation difficulties or delays, unavoidable production delays of the Product, or any other cause beyond the Seller's reasonable control. Buyer may expedite scheduled ship date(s) as determined by the original order, only with written consent of the Seller. If such consent is given, Buyer shall pay to Seller an expedite fee in accordance with all applicable handling, engineering, and miscellaneous costs, including but not limited to fabrication and assembly, labor, and appropriate overhead associated with the expedited order. Buyer may delay the scheduled ship date as determined by the original order for up to a maximum of thirty (30) days without additional charge. However, such delay cannot be beyond the last day of the Seller's then current financial quarter. Buyer may not delay scheduled ship date(s) beyond thirty (30) days without the written consent of the Seller. Any order delayed more than thirty (30) days from the original ship date without written consent of Seller shall be considered an order cancellation unless Seller, in its sole discretion, agrees otherwise.

CHANGE REQUESTS

Change requests for any order, including delivery, drawing, revision, configuration, design and/or material changes must be submitted in writing by Buyer to Seller. Buyer is hereby notified that the price and delivery dates may be affected by any such changes. If any such change shall cause an increase or decrease in the price, or in the time required for performance, an equitable adjustment will be negotiated and incorporated into the order prior to Seller's obligation to proceed with the change request.

LIMITATION OF LIABILITY

Buyer hereby waives any liability of Seller for any excluded damages. In no event shall Seller's maximum liability for damages under this contract exceed the amount paid hereunder for the specific product, part, software, or service.

WARRANTY

There is no warranty, either expressed or implied, with respect to Buyers Product functionality or performance. All Products manufactured by Seller are custom parts that have been meticulously manufactured per mechanical blueprints supplied by Buyer, to Buyer's specific engineered design and verification process, with any and all guarantees backed by the Buyer's warranty agreement with their customers.

INDEMNIFICATION

Buyer assumes, upon acceptance of Products, all risk, insurable interest and liability for physical loss, damage or injury to persons or property of Buyer or others, arising out of the use or possession of the Products. Buyer agrees to indemnify and hold Seller harmless from any and all claims or liabilities asserted against Seller in connection with the use or possession of said Products.

GOVERNING LAW

This Statement of Terms and Conditions of Sale and Service and all matters connected with the performance thereof or otherwise arising out of this Contract shall be construed, interpreted, applied, governed and enforced in all respects by the laws of the domicile of the Seller without regard to conflict of law provisions; provided however that either party may seek preliminary injunctive relief in a court with subject matter jurisdiction. The parties hereto expressly release and waive any and all rights to a jury trial and consent to have any dispute heard solely by a court of competent jurisdiction. No suit or action shall be brought against Seller more than six (6) months after the cause of action has been accrued.

MISCELLANEOUS

Buyer shall not assign its rights or delegate its duties hereunder or any interest therein or any rights hereunder without the prior written consent of Seller, and any such assignment, without such consent, shall be void. No agreement or understanding in any way modifying the conditions of this order shall be binding upon Seller unless made in writing and approved by Seller. If any provision of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such determination will not impair or affect the validity, legality, or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct. To the extent that any such provision is found to be invalid, illegal or unenforceable, the parties will negotiate in good faith to substitute for such provision, to the extent possible, a new provision that most nearly effects the parties' original intent in entering into this Contract or to provide an equitable adjustment if no such provision can be added. The other provisions of this Contract will remain in full force and effect. No waiver of any provision of this Contract shall be valid or binding on Seller unless agreed in writing by the Seller. The failure of Seller to enforce at any time any of the provisions of this Contract shall in no way be construed to be a present or future waiver of such provisions, nor in any way affect the validity of Seller to enforce each and every such provision thereafter.