

ADVANCED TECHNICAL CERAMICS COMPANY (ADTECH CERAMICS)
PURCHASE TERMS AND CONDITIONS

DEFINITIONS AND ABBREVIATIONS

The term "Buyer" shall mean ADTECH CERAMICS, a Delaware corporation, located in Chattanooga, Tennessee.

The term "Seller" shall mean the individual, partnership or corporation obligated to furnish the articles and services described in the Purchase Order.

1. ACCEPTANCE. This purchase order constitutes Buyer's offer to Seller and shall become a binding contract (the "Contract") incorporating the terms and conditions set forth herein upon acceptance by Seller, either by acknowledgement or commencement of performance. This offer to purchase is specifically conditioned upon Seller's acceptance of the terms stated herein. Any terms or conditions proposed by Seller which differ from or are in addition to term and conditions contained herein shall be void and of no effect whatsoever unless consented to in writing by Buyer.
2. DELIVERY SCHEDULE. Seller acknowledges that Buyer's production schedules are based upon Seller's commitment that materials and services will be delivered to buyer on dates specified herein. Time is and shall remain of the essence. If deliveries pursuant to the Contract will not be made at the time agreed upon, Buyer reserves the right to cancel the Contract, or to purchase elsewhere and to hold Seller accountable therefore. Buyer shall have the right to return at Seller's risk and expense shipments received in advance of the schedule of deliveries appearing on the face hereof. Material received in advance of such schedule deliveries and accepted by Buyer shall be paid for as if delivered on the scheduled date. Invoices will be dated no earlier than the day of shipment.
3. PRICES. Seller represents that prices shown on the face hereof do not exceed those charged or quoted by Seller to any of Seller's other customers for similar items ordered in similar quantities. Seller will promptly refund any sums paid by buyer in excess of such prices. Unless otherwise agreed to in writing by Buyer, the price quoted on the face hereof shall be deemed to include packing, crating, drayage, storage, and/or similar expenses.
4. WARRANTIES. Seller, by accepting this order, warrants (i) that all goods or services to be delivered or performed hereunder will be merchantable and fit for the particular use(s) for which intended, (ii) that such materials or services shall be free of defects of material or workmanship, and (iii) that such material or services shall conform strictly to the specification, drawings, or samples (if any) supplied by Buyer and/or published or delivered by Seller. These warranties shall survive any inspection, delivery, acceptance and or payment by Buyer. All materials or services furnished will be subject to inspection and approval by Buyer after delivery and before acceptance. Buyer shall have the right to reject and return at Seller's expense, including cost of inspection, or any part of any shipment, any part of which is defective or which fails to comply with specifications, without such action constituting a termination of the Contract. In Addition, Buyer shall have the option to: (a) require prompt corrective action by Seller, (b) rework or have the defective goods reworked) at Seller's expense, or (c) cancel the Contract; and such options as provided herein shall survive any inspection, delivery, acceptance and/or payment by Buyer.
5. TAXES. Except as otherwise provided in this order, the price of the face hereof includes all applicable Federal, State and local taxes in effect on the date of shipment. If any applicable tax shall be repealed, the price stated in this order shall be adjusted accordingly.
6. CONFIDENTIAL INFORMATION. Seller shall not disclose to any third person or use any information in any way whatsoever concerning Buyer's drawings, specifications, samples and other material, except in performing the Contract, without first obtaining Buyer's written consent. Buyer shall at all times have title to all drawings and specification furnished to Seller for use in performing the Contract, including all copies thereof, all of which upon request or upon completion of the Contract shall promptly be returned to Buyer. Any knowledge or information which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the Contract shall not, unless otherwise agreed upon in writing by Buyer, be deemed to be confidential information and as part of the consideration for this order, shall be acquired by Buyer free from any restrictions.
7. SHIPPING. Materials must be shipped in accordance with Buyer's instructions and must be marked plainly with name of consignor or consignee. A packing list must accompany materials. Buyer's count or weight shall be conclusive on shipments not accompanied by a packing list.
 - a. Sellers performance will be monitored by Buyer. Buyer to provide seller updates on a quarterly basis, if applicable.
8. INSOLVENCY. In the event any bankruptcy, arrangement or insolvency proceedings are commenced by or against the Seller (whether under the Federal Bankruptcy Code or otherwise) or in the event of the appointment of an assignee for the benefit of creditors or a receiver of trustee for all or any part of the Seller's property or if Seller commits an act of Bankruptcy or is unable to meet its debts as they mature then Buyer at its option shall be entitled to cancel any unfilled portion of its order without liability. Termination pursuant to the terms of this Paragraph 8 shall not affect any claim for damages which Buyer might otherwise have.
9. CHANGES. Buyer shall have the right to make changes as to packing, testing, destination, specifications, designs and delivery schedule. Charges applicable to changes requested by Buyer will be negotiated with Seller. Seller is to notify the Buyer of changes in product and /or process, changes in suppliers, manufacturing facility location and where required, obtain Buyer approval. Seller to notify the Buyer of any nonconforming product.
10. EXCESS. The quantity or materials or services specified on this order must not be exceeded without the prior written consent of Buyer. Buyer will not be responsible for any materials or services furnished without a written order. Any excess materials may, at Buyer's option, be returned to Seller at Seller's risk and expense.

11. LEGAL COMPLIANCE. Acceptance of this order shall be deemed to include Seller's representation and warranty to Buyer that Seller shall, in completing the Contract, Comply with any and all applicable laws, executive orders, regulations, ordinances, proclamations, and demands of the Federal Government or any bureau, agency or departments or of any State or local Governmental Authority which may now or hereafter be applicable to Seller's performance of the Contract. This also includes, but is not limited to: Seller implementing and maintaining a Quality Management System that meets Buyer requirements; agreement to use Buyer designated or approved external providers including special process sources; notifying Buyer of nonconforming products, processes or services in order to obtain Buyer approval for disposition; providing test specimens when required; retaining documented information for retention and disposition requirements per Buyer requirements; Ensuring Seller employees or persons assigned to Buyer work requirements are aware of: i) their contribution to product or service conformity, ii) their contribution to product safety, iii) their importance of demonstrating at all times ethical behavior.
12. ITAR COMPLIANCE. Purchase orders may contain technical data within the definition of the International Traffic in Arms Regulations (ITAR) and is subject to the export control laws of the U. S. Government. Transfer of this data by any means to a foreign person, whether in the U.S. or abroad, without an export license or other approval from the U.S. Department of State, is prohibited.
13. FLOW DOWN Seller shall flow down to the supply chain the applicable requirements including Buyer requirements
14. FOREIGN DEBRIS (FOD) PREVENTION. The following requirement applies to purchased materials or services that are used to manufacture orders at AdTech Ceramics. *Seller must maintain a FOD prevention program designed to identify and prevent foreign objects from entrapment in production parts and eliminate paths through which foreign objects can migrate.
15. INDEMNITY. Seller agrees to defend at its expense and to pay all cost and damages awarded in any suit or proceeding brought against Buyer to the extent such suit or proceeding is based on a claim that anything (hereinafter referred to as "goods") furnished under this order constitutes an infringement of any patent, trademark, copyright, trade secret or other proprietary right of any person or entity. In case goods or any part thereof are held in such a suite to constituted infringement and the use of said goods or any part thereof is enjoined, Seller shall at its expense procure for Buyer the right to continue using said goods or part thereof, replace same with non-infringing goods, modify same so they become non-infringing, or remove same and refund the purchase price and transportation and installation cost thereof.
16. LABOR DISPUTES. Whenever an actual or potential labor dispute delays or threatens to delay the timely performance of the Contract, Seller shall promptly give notice to Buyer, informing Buyer of all relevant information with respect thereto. Buyer reserves the right to cancel the Contract if, in Buyer's sole discretion, any such delay or threatened delay may be injurious to Buyer.
17. GRATUITIES. Seller warrants that it has not offered or giving and will not offer or give to any employee, agent or representative of Buyer any gratuity for the purpose of securing any business from Buyer or influencing such person with respect to the terms, conditions or performance of the contract or of any contract with or order from Buyer. Any breach of this warranty shall be material breach of the Contract and of each contract between Buyer and Seller.
18. INCORPORATION. All specifications, drawings, notes, instructions or technical information referred to in this order shall be deemed to be incorporated herein by reference as though fully set forth. Any discrepancies or questions shall be referred to Buyer for decision or interpretation, except where identified in the PO, use the latest revision of any standard.
19. ASSIGNMENT. No right or obligation under this Contract (including without limitation, the right to receive monies due and to become due, hereunder) shall be assigned by Seller without the prior written consent of Buyer, and any purported assignment without such consent shall be void. Any amount assigned under the Contract with Buyer's consent shall be subject to set-off, recumbent or any other right or claim of Buyer against Seller.
20. INSPECTION OF SELLER'S FACILITIES. Buyer reserves the right to inspect Seller's facilities and processes at any time and also reserves the right to inspect material being supplied before shipment to Buyer. The Buyer, Seller and any regulatory authorities have the right to access all facilities at any level of the supply chain involving the order and to all applicable records.
21. CANCELLATION. This order is not a firm offer and Buyer reserves the right to revoke or withdraw it at any time prior to acceptance by Seller. Buyer reserves the right to cancel any portion of the Contract not filled as specified whether or not because of conditions of circumstances beyond Buyer's control. Buyer reserves the right to cancel the Contract in its entirety if Seller does not comply with each of the above terms and conditions.
22. AMENDMENT AND MISCELLANEOUS. The terms and conditions herein may only be amended by a writing signed by both parties which specifically states that it constitutes an amendment of the provisions hereof. Until modified, the terms and conditions herein shall apply to all dealings between Buyer and Seller, except specifically otherwise agreed in writing by the parties. This Contract shall be governed by the Delaware law. In the event of litigation between the parties with regard to the subject matter hereof, the prevailing party shall be entitled to reasonable attorneys' fees and other costs.
23. NOTIFICATION OF CHANGE. No change shall be made to the items listed on this purchase order which may affect the quality, reliability, and electrical interchangeability of the item without notification and written approval of the Buyer.
24. RECORD RETENTION The Buyer requires that quality records relating to the Buyer's order for material must be retained for 10 years unless specified under the purchase order.

25. The provisions of the Executive Order 11246, as amended by Executive Order 11375 (Equal Employment Opportunity), 38 USC 4212 (Vietnam Era Veterans Readjustment Assistance Act), Section 503 of the Rehabilitation Act of 1973 Handicapped Regulations), and the Implementing Regulations found at 41 CFR60-1&2, 41 CFR 60-250, and CFR 60-741, respectively, and House Rule 1540, Sec. 818 with respect to counterfeit parts, are hereby incorporated by reference.

HUMAN TRAFFICKING POLICY

26. The Company strictly prohibits its employees and all subcontractors and agents from:
- engaging in acute forms of trafficking in persons;
 - procuring commercial sex acts;
 - using trafficked labor;
 - destroying, concealing, confiscating, or otherwise denying an employee access to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
 - using misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the employee, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant costs to be charged to the employee, and, if applicable, the hazardous nature of the work;
 - using recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
 - charging employees recruitment fees (as defined by the FAR);
 - failing to pay return transportation costs upon the end of employment, for certain employees who are not nationals of the country in which the work is taking place (with some exceptions as specified under FAR 52.222.50(b)(7));
 - providing or arranging housing that fails to meet the host country housing and safety standards; and
 - if required by law or contract, failing to provide an employment contract, recruitment agreement, or other legally required work document in writing in a language the employee understands, containing a detailed description of the terms and conditions of employment, at least five days before an employee relocates to perform work.