



Standard Terms & Conditions of Sale

1. ACCEPTANCE AND BINDING EFFECT

THE PRESENT TERMS AND CONDITIONS OF SALE SHALL BE APPLICABLE TO AND GOVERN THE SALE AND SHIPMENT OF ALL MERCHANDISE. ADTECH CERAMICS ("AdTech") ACCEPTS PURCHASE ORDERS CONDITIONED UPON BUYER'S ASSENT TO THESE TERMS. SUCH ASSENT SHALL BE CONCLUSIVELY PRESUMED UNLESS BUYER, WITHIN SEVEN (7) DAYS OF RECEIPT OF THESE TERMS, CANCELS HIS ORDER IN WRITING OR COMMUNICATES TO ADTECH BUYER'S UNWILLINGNESS TO ACCEPT ANY SPECIFIC TERM OR CONDITION HEREOF. IN EITHER OF SUCH EVENTS, ADTECH SHALL NOT BE DEEMED TO HAVE ACCEPTED BUYER'S PURCHASE ORDER UNTIL ANY CHANGES IN THE TERMS AND CONDITIONS SET FORTH HEREIN HAVE BEEN MUTUALLY AGREED UPON AND REDUCED TO WRITING AND SIGNED BY AUTHORIZED REPRESENTATIVES OF ADTECH AND BUYER. THE PRESENT TERMS AND CONDITIONS, AS AMENDED BY ANY SUCH WRITTEN AGREEMENT, SHALL SUPERSEDE ALL INCONSISTENT TERMS AND CONDITIONS WHICH MAY BE CONTAINED IN ANY PURCHASE ORDER OR IN ANY OTHER PURCHASE DOCUMENTS SUBMITTED TO ADTECH BY BUYER.

2. PRICES

Prices are F.O.B. AdTech's plant, Chattanooga, Tennessee, and do not include any manufacturer's excise tax, sales tax or other tax or duty of any nature whatsoever applicable to the sale or delivery of the merchandise ordered. Any transportation and insurance applicable to the merchandise shipped to Buyer shall be paid for by Buyer or repaid to AdTech if advanced by it. In the event AdTech is required to pay any foreign tax or duty as a condition of delivering ordered merchandise to Buyer, Buyer shall provide AdTech at the time the order is submitted with an exemption certificate or other similar document acceptable to taxing or customs authorities or shall repay AdTech for any such tax or duty paid by AdTech, promptly upon being invoiced therefor.

3. DELIVERY

Unless otherwise specified in the purchase order, AdTech shall have the right to deliver all of the goods at one time or in portions from time to time. AdTech shall retain title to all items for security purposes as conditional vendor until the purchase price thereof has been paid in full. AdTech shall have the right, in addition to all others it may possess, at any time, for credit reasons or because of Buyer's default or defaults, to withhold shipments, in whole or in part, and to recall goods in transit, retake same, and repossess all goods which may be stored with AdTech for Buyer's account, without the necessity of taking any other proceedings, and Buyer consents that all the merchandise so recalled, retaken, or repossessed shall become the absolute property of AdTech, provided that Buyer is given full credit therefor. The foregoing shall not be construed as limiting, in any manner, any of the rights or remedies available to AdTech because of any default of Buyer under the Uniform Commercial Code.

Shipping dates are approximate and unless otherwise specified by Buyer, shipment will be by means deemed most appropriate by AdTech. Irrespective of who selects the carrier and who initially pays the cost of transportation, risk of loss or damage to the merchandise passes to Buyer upon delivery to the carrier.

Products will be packaged in accordance with standard commercial practices for shipment unless otherwise specified by Buyer. All claims for loss or damage must be made by Buyer to the carrier, but AdTech will assist insofar as practical in securing satisfactory adjustment of such claim.

4. PARTIES EXCUSED WHERE PERFORMANCE IMPOSSIBLE: CANCELLATION

AdTech shall not be responsible for any failure to make delivery or delay in the delivery of all or any part of the merchandise purchased by Buyer, due to (a) government statute, ordinance or regulations, (b) strike or other labor trouble, (c) damage to or destruction in whole or in part of the merchandise or AdTech's manufacturing plant, (d) fire, flood, earthquake, riot, war or other casualty or act of God, (e) lack of, or inability to obtain, raw materials, fuel or supplies, (f) epidemic or pandemic, or (g) any other cause, contingency or circumstance not subject to AdTech's control which prevents or hinders the manufacture or delivery of the merchandise. In the event of a delay in delivery of not more than thirty days resulting from any such cause, the date of delivery shall, at the request of AdTech, be deferred for a period equal to that of the delay.



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4. PARTIES EXCUSED WHERE PERFORMANCE IMPOSSIBLE: CANCELLATION (cont.)

Buyer shall have the right to cancel any purchase order upon the occurrence of any of the events specified in the preceding paragraph, if such event affects Buyer's premises, provided that Buyer shall notify AdTech of its intention to cancel the order promptly upon the occurrence of the event. Upon such cancellation, Buyer shall reimburse AdTech for expenses incurred by AdTech with respect to such merchandise prior to notification of cancellation, which, in the event that the merchandise was or is in the process of being manufactured, shall include the cost of producing finished goods and work in process, as well as the costs of material procurement, and reasonable overhead and general and administrative expenses applicable thereto. Buyer may not cancel any purchase order for any other reason without AdTech's prior written consent.

5. INSPECTION/ACCEPTANCE

Buyer shall inspect the merchandise promptly upon receipt. Failure to so inspect within thirty days after receipt shall constitute a waiver of Buyer's right to inspection and shall constitute acceptance of the merchandise. Buyer shall have the opportunity, at the time and place of inspection, to run adequate tests to determine whether the merchandise tendered conforms to specifications. Use of a portion of the merchandise for the purpose of testing shall not constitute acceptance. Notice of any defects, damages, failure to meet specifications or of any shortage in merchandise delivered by AdTech to Buyer must be given in writing to AdTech within five days of inspection by Buyer. Failure to give such notice within the prescribed period shall constitute acceptance of the merchandise. If merchandise which does not fully conform to the specifications of the purchase order as accepted by AdTech, is rejected by Buyer, AdTech shall have the right to cure any such defect by shipping conforming merchandise to Buyer within a reasonable time.

6. WARRANTY

AdTech warrants that all merchandise manufactured by it is free from defects in material and workmanship. Any claim of breach of said warranty shall be made within one year of receipt of merchandise by Buyer. Any merchandise claimed to be defective must be returned to AdTech, transportation charges prepaid, but only after notice to AdTech prior to the return. Upon such return, AdTech's sole obligation shall be to repair or replace (at AdTech's option and expense) all defective merchandise and return the new or repaired merchandise to Buyer at AdTech's expense, and refund to Buyer the cost of transportation of any defective merchandise returned to AdTech. AdTech's warranty shall not be applicable to any merchandise which has been altered or repaired by anyone other than an authorized representative of AdTech or to any merchandise which has not been properly installed or has been subject to misuse or accident.

7. DISCLAIMER OF WARRANTY

The above warranty is in lieu of all other express or implied warranties including any warranty of merchantability or of fitness for a particular purpose. Buyer is responsible for determining the suitability of AdTech's products in his devices, assemblies or systems and AdTech shall not be liable for any consequential damages regardless of whether AdTech's products are used separately or in combination with other components.

8. INDEMNITY

AdTech shall indemnify Buyer and its customer against any loss, damage or liability, including costs and expenses, arising out of any actual or alleged infringement of any patent, copyright or trademark resulting from the use or sale by Buyer or Buyer's customers of merchandise manufactured by AdTech, except those products specially manufactured according to Buyer's design specifications or other requirements. However, the aforesaid indemnity shall be null and void unless Buyer notifies AdTech in writing of any claim of infringement within thirty days of knowledge thereof and permits AdTech to participate in and direct the defense thereof.



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8. INDEMNITY (cont.)

If any merchandise shall be specially manufactured by AdTech according to Buyer's design specification or other requirements, Buyer shall indemnify AdTech against any loss, damage or liability, including any costs and expenses, arising out of any actual or alleged infringement of any patent, copyright or trademark resulting from AdTech's manufacture or sale to Buyer of such merchandise.

9. TERMS OF PAYMENT

Payment for merchandise shipped shall be due within thirty days from shipment unless otherwise specified in writing by AdTech. If at any time, in AdTech's judgment, the financial condition of Buyer does not justify continuation of production or shipment on the terms of payment originally specified, AdTech may require full or partial payment in advance or satisfactory security for payment.

10. NON-RECURRING EXPENSES (NRE)

Costs of product set-up for manufacturing will be presented as non-recurring charges which do not constitute the purchase of any tooling, custom fixtures, intellectual property of engineering data. Additional NRE may be required for higher volume manufacturing or other circumstances. All such items shall remain the property of and in the custody of AdTech, but will be reserved exclusively for the production of Buyer's product. AdTech shall not be obligated to retain such NRE items beyond three years after their last use.

11. MACHINE SET-UPS

Prices and deliveries are based on one-time machine set-ups- Multiple-release deliveries may be subject to additional charges for multiple machine set-ups and/or carrying inventory.

12. ELECTRICAL, MECHANICAL AND THERMAL DESIGN

Functional design of any products ordered are the responsibility of Buyer. Any design recommendations or assistance provided prior to the order are based on the information presented by Buyer, typical materials properties, empirical experience and best engineering practices. Any modeling/simulation or product design suggestions are supplied without warranty or guaranty of any kind and are outside the scope of AS9100. Guidance, including any modeling/simulation services that may be provided by AdTech are without full knowledge of the specific and intended application and are to be used at Buyer's risk.

13. COMPLIANCE WITH APPLICABLE LAW

AdTech warrants and certifies that in the manufacture and shipping of merchandise, it will comply with all applicable rules, statutes, regulations and orders, including the laws and regulations pertaining to labor, wages, hours and other conditions of employment, and applicable price ceilings, if any.

14. MISCELLANEOUS

AdTech reserves the right to improve, change or discontinue any product without any obligation to replicate products sold under prior orders. The terms and conditions provided for herein shall be governed by and construed in accordance with the laws of the State of Delaware.

Any action for breach of any purchase order as modified by these terms and conditions must be commenced within one year after delivery of the merchandise ordered.

In the event it becomes necessary to bring legal proceedings to enforce or carry out any of the provisions of these Terms and Conditions of Sale, the prevailing party shall recover costs of enforcement including court costs and reasonable attorney fees.