



## Terms and Conditions of Sale

In consideration for APP selling products or services to the Customer, the Customer agrees to the terms & conditions above regarding all purchases made on the Customer's account. The undersigned warrants that all information is true and is given for the purpose of obtaining credit.

- DEFINITIONS:** "APP" means Advanced Powder Products and its subsidiaries. "Customer" means the legal entity purchasing goods or services from APP. "Parts" means any part or component manufactured by APP, excluding Engineering Samples. "Engineering Samples" means parts or components manufactured by APP prior to the Customer's approval of FAI. "Tools" means an injection mold used to manufacture production parts for the Customer. "Material" means any feedstock, raw material, or any other good or service sold by APP that is not defined as Part or Tool. "FAI" means first article inspection of Parts manufactured by a Tool.
- APP QUOTES:** APP provides a Quote for the Customer part(s) based on a Print and 3D CAD model submitted to APP. Any change to the print or 3D CAD model requires an updated Quote. Quotes are valid for 30 days, after which pricing may change without notice. APP reserves the right to correct clerical and other typographical errors in any quotation.
- PURCHASE ORDERS:** Issuance of a purchase order by the Customer shall be deemed an acceptance of APP's terms and conditions contained herein. The Customer acknowledges and agrees that issuance of a purchase order creates no burden on the part of APP to verify its accuracy or validity, and payment for goods or services that are provided to the Customer pursuant to a purchase order shall be the full responsibility and obligation of the Customer.
- PARTS AND MATERIAL SALE TERMS:** Payment for all sales of Parts, Engineering Samples, and Materials is due within 30 days of receipt of an invoice, provided credit is approved, unless otherwise agreed to in writing by APP. The Customer agrees to notify APP in writing, of any error in any invoice within ten (10) days after the date of that invoice. If no notification is received by APP, the invoice shall be deemed to be correct, and accepted as rendered.
- TOOL SALE TERMS:** Provided credit is approved and unless otherwise agreed on an invoice, all sales of Tools used to produce Parts are made on the following terms: 50% of sale price due at the time of order submission and non-refundable and 50% of sale price is due 30 days from the date that APP submits FAI for approval. The Customer agrees to notify APP in writing, of any non-conformances in first article parts within sixty (60) days of the date of shipment. The Customer agrees to notify APP in writing, of any error in any invoice within ten (10) days of the date of that invoice. If no notification is received by APP, the invoice shall be deemed to be correct, and accepted as rendered.
- TIMELESS TOOLING TERMS:** Custom MIM Tooling purchased by the Customer shall be the property of the Customer with title not vesting with the Customer until the invoice price for the Tooling is paid in full. However, reusable Proprietary Components will remain the property of APP and all Custom MIM Tooling will remain at APP's production facility. As such, APP reserves the right to decline purchase orders or similar forms requesting that production parts be manufactured utilizing the Tool until all sums are paid in full. As long as APP is making parts for the customer in APP's facility, APP will guarantee the Customer's MIM Tooling for the life of the program with no limitation on the number of parts produced. APP will, in its discretion and at its own cost, repair or replace worn or damaged tooling and carry property insurance with no limitation on the number of parts produced. APP agrees to notify the Customer no less than ninety (90) days before the tooling is taken out of service for repair or replacement of custom tooling components. Customer agrees to accept and dedicate internal resources to re-qualification of replacement tooling and components. Customer driven design changes that result in tooling modifications are the responsibility of the Customer and are quoted separately. If customer directed tooling modifications jeopardize the integrity of the tooling design and function, all future repair and replacement costs are at the Customer's expense. APP's Timeless Tooling guarantee does not apply to transfer tooling or limited production tools as agreed between both parties.
- PROTOMIM TOOLING:** ProtoMIM Tooling purchased by the Customer shall be the property of APP with APP granting exclusive use to the Customer. APP will guarantee and maintain the ProtoMIM tooling for no more than 2,000 pieces. APP reserves the right to assess the ProtoMIM tooling and reject additional purchase orders for parts produced from ProtoMIM tooling. The ProtoMIM Tooling guarantee does not apply to projects accepted on a "best effort" basis as agreed between the parties.
- TOOLING STORAGE:** APP's tooling storage policy is such that in the event the Customer does not submit a purchase order for Parts manufactured using the Custom MIM Tooling for a period of two years from the earlier of (i) the last invoice date of production parts manufactured using the Tool or (ii) the date of FAI submission, the Tool shall be deemed inactive. APP shall notify the Customer in writing when a Tool becomes inactive. If no response from the customer within 90 days, APP reserves the right, in its discretion, to destroy the Custom MIM Production Tooling or invoice the Customer a \$500 annual storage fee. APP's ProtoMIM tooling storage policy is such that after an eighteen (18) month period of inactivity on the ProtoMIM Tooling, APP may destroy the ProtoMIM® Tool, in its discretion.
- APPROVAL OF CREDIT:** APP reserves the right to approve, decline, or amend credit limits at its sole discretion. APP reserves the right to refuse charges on account at any time.
- PAST DUE ACCOUNTS AND COLLECTION COSTS:** Past due accounts shall be subject to a finance charge of one and one-half percent (1.5%) per month or if lower, the maximum amount permitted under applicable law, compounded annually until paid in full. In the event collection

agency or legal action is required to collect the account, the Customer agrees to pay all fees and costs incurred as well as interest on past due balances.

11. **CREDIT HISTORY:** APP, at its sole discretion, may request a consumer or commercial credit report to confirm creditworthiness.
12. **DEFAULT:** The following constitute default; non-payment within five (5) days of date payment is due from the Customer to APP; the Customer's bankruptcy, insolvency, or assignment for benefit of creditors; the Customer's misrepresentation of any provision in an agreement between Customer and APP. In the event of default, APP, at its sole discretion, has the right to declare all unpaid balances due in full.
13. **INTELLECTUAL PROPERTY:** All intellectual property rights including copyrights, patents, patent disclosures and inventions (whether patentable or not), trademarks, service marks, trade secrets, know-how and other confidential information and all goodwill associated therewith ("Intellectual Property Rights") related to the method and process of manufacturing Parts and design and engineering of Tools arising as a result of the performance of any agreement with APP and all work product and materials delivered to Customer under this Agreement shall be owned by APP. Customer agrees to take all actions, including executing agreements and entering into agreements with third parties to protect APP's Intellectual Property Rights. APP reserves the right to practice methods and processes to design similar Tools for and manufacture similar Parts for other clients that may operate in the same industry as a competitor to the Customer.
14. **PRICE AND SHIPMENT:** Unless otherwise stated on the face of the invoice, all prices shall be FOB at the point of shipment and loss or damage during the shipment shall be the responsibility of Customer. APP will bill the Customer for all applicable taxes unless the Customer provides an exemption certificate. Prices on quotations shall be valid for thirty (30) days from the date of the quotation unless otherwise stated. All prices are subject to change due to fluctuations in raw material prices.
15. **SPECIFICATION MODIFICATIONS:** If at any time, the Customer requires a modification or revision in specifications of a Part, the Customer agrees to purchase any in process Parts or finished Parts in inventory, including safety stock in quantities that are not unreasonable. The price of such purchases shall be at the price stated on the most recent invoice or quotation for the Part. Quantities that are not yet in process but are included on outstanding purchase orders shall be subject to repricing if agreed to in writing by APP. Modifications or revisions to specifications required for Tool orders will be subject to repricing if mutually agreed to in writing by the Parties.
16. **OVER OR UNDER SHIPMENT:** Unless APP has otherwise agreed, Customer agrees to pay for over-shipment and under-shipment of 10% on all orders of Parts. Parts will be billed in accordance with the quantities shipped to the Customer. The unit price will not change due to over or under shipment. The Customer's claims of shortage, including proof of delivery requests, must be made in writing no more than thirty (30) days after receipt of products or the invoice date, whichever event occurs first.
17. **DELIVERY DATES:** Delivery dates listed on quotes and purchase orders shall be estimates only and APP shall not be responsible or liable to the Customer for non-shipment or delay due to any cause whatsoever. APP shall not be liable or responsible for penalties or damages, foreseen or unforeseen, incurred by the Customer due to delayed or undeliverable shipments. However, APP shall use its best effort to meet the listed shipping dates.
18. **FORCE MAJEURE:** APP shall not be liable or responsible to Customer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of APP including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, lock-outs, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage.
19. **CLAIMS AND RETURNS:** Any alleged shortages, defects, or damages must be reported by the Customer to APP in writing within ten (10) days of delivery of goods. After such 10-day period, the Customer is deemed to have accepted goods. Returned goods will not be accepted without (i) a Returned Materials Authorization (RMA) number issued by APP and (ii) the APP lot number(s) that correspond to the returned goods, which should be marked on all returned cartons. Returned shipments not having prior authorization will be refused. Any freight or shipping costs related to returns will be the responsibility of the Customer.
20. **CANCELLATIONS:** APP shall determine in its sole discretion whether to allow the Customer to cancel a purchase order after acceptance by APP. APP's acceptance of order cancellation is subject to the Customer's payment of APP's costs and expenses incurred with respect to the goods and services not yet complete and the full agreed upon price for any goods and services completed prior to order cancellation notice. A Tool is deemed complete upon FAI submission.
21. **WARRANTIES:** APP warrants that the Parts (excluding Engineering Samples) shall be free from defects in material and workmanship under normal use and service when correctly installed, used, and maintained for thirty (30) days after delivery to the Customer and such warranty shall not apply to any Parts which have been subjected to misuse, abuse, neglect or improper storage, handling, or maintenance. Except for the foregoing warranty, APP makes no additional warranty whatsoever including any (a) warranty of merchantability, or (b) warranty of fitness for a particular purpose, or (c) warranty of title, or (d) warranty against infringement of Intellectual Property Rights of a third party, whether express or implied by law, course of dealing, course of performance, usage of trade or otherwise.
22. **LIMITATION OF LIABILITY:** APP's liability under its warranty is expressly limited to the repair, replacement, or refund of the invoice price shall be at APP's sole discretion. APP's obligation to repair or replace defective goods or refund the invoice price constitutes agreed and liquidated damages for any breach of warranty by APP. APP shall have no liability to Customer or third parties concerning the use of the Parts or the use of the Tool or any Parts produced utilizing the Tool, whether or not manufactured by APP, or the products that may be generated from use of the Parts. All liability in connection with such use shall be borne solely by Customer, and Customer shall defend, hold harmless and indemnify APP in connection with any claims, damages or liability, including reasonable attorneys' fees, which may arise in connection therewith.

23. **GOVERNING LAW AND JURISDICTION:** All matters arising out of or relating to this Agreement are governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to any choice or conflict of law provision. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the Commonwealth of Pennsylvania, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.