

Axiom Materials, Inc. (Buyer)
Purchase Order TERMS AND CONDITIONS of Sale

1. Quality Seller agrees not to make any change in material, design, process, suppliers, and manufacturing facility location that would affect the part or any component thereof without the prior written authorization of the Buyer. Seller agrees to flow down to its supply chain all applicable customer requirements in the purchase documents, including drawings; specifications; physical identification; key characteristics, when required; and use of customer-designated or approved external providers, when required, including process sources e.g. special processes.

Quality records may be hard copy, electronic version, or other media. All quality records must be legible and stored in a suitable environment to prevent damage, deterioration, or loss. The Seller shall maintain all quality records for Buyer products for a minimum of eleven (11) years after the date of purchase unless otherwise specified. Seller shall have a lot tracking system in place for accountability of materials, manufacturing, and any processes performed. Seller represents and warrants that materials furnished by it shall (except when otherwise specified on the face of this order) be new and of first grade quality and that Seller's services will be performed in a skillful and workmanlike manner.

The Supplier shall ensure personnel whose work has an effect on the quality of the product are competent on the basis of appropriate education, training, or experience. Training shall include pertinent subjects relating to manufacturing, inspection, testing, packaging, and handling techniques and shall be documented. The Supplier must also ensure personnel are aware of their contribution to product and service conformity, product liability, safety, and the importance of ethical behavior.

The Seller shall implement and control processes, appropriate to the organization and materials, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in materials delivered to Buyer.

A signed certificate of conformance is required with each shipment for all parts, materials, or processes performed. Functional test reports or results shall be furnished by Seller as required by the applicable purchase order, drawing, or specification. Deviations from drawings, sketches, or purchase order requirements must include written notices of root cause, corrective actions, and preventative actions to Buyer within fourteen days of Seller's receipt of the Buyer's purchase order. Seller furnished material shall have in addition to the requirements of Buyer furnished material, complete and verified certifications and test reports containing all necessary information for acceptance by Buyer. Where time sensitive or perishable materials are used, Seller shall include on all certifications or packing slips the type of material, expiration date, cure date, and lot or batch number. Buyer furnished material shall require strict accountability by Seller. Seller shall maintain positive individual lot integrity of finished product and identification of any standards, finished products, and/or excess materials. At the time of delivery on the purchase order, Seller shall return any excess materials furnished by Buyer.

Materials are subject to inspection and test by Buyer and by ultimate purchaser at the location where they are manufactured. Seller shall provide and maintain a Quality System that is acceptable to Buyer. The Seller's Quality System is subject to annual review and approval by Buyer during the purchase order duration. If Seller has provided samples or prior supply of materials to Buyer, Seller represents that the process used to manufacture the materials, including but not limited to the raw materials, testing or quality control and packaging has not changed. If Seller makes a change to any such processes, it shall provide Buyer with 45 days advance written notice.

Buyer's representatives shall be entitled to visit, with prior notice, Seller's plants and facilities, as well as to inspect and test the manufacturing processes, used materials, manual labor and materials, even during the manufacturing term. Upon Buyer's reasonable notice to Seller, Seller agrees to allow Buyer's representatives, their customers and regulatory authorities right of access to applicable areas of all its plant and facilities, at any level of the supply chain, involved in the order and to all applicable records.

2. Delivery of any material or parts shall be no later than specified delivery date and no earlier than 10 days before specified date. Materials or parts received earlier than 10 days before specified date shall be returned to Seller at Seller's expense. Delivery of any subcontracted processes shall be considered as late one day after specified delivery date on purchase order. All obligations derived from this Purchase Order shall be complied in the manner,

place and terms agreed hereunder. The risk of loss of the materials shall be assumed by Buyer only when same are delivered by Seller and receipt is accepted by Buyer. Buyer may set off any amount owed to Buyer from Seller against any amount payable by Buyer in connection herewith.

Neither delivery of materials or of invoices shall be accepted, except when authorized by a written Purchase Order, which payment must be made as provided therein. If the manufacture, transportation, delivery, receipt or use by either party of any material or services covered hereby is prevented, restricted or interfered with by reason of any event or cause whatsoever beyond the reasonable control of the party so affected, such party, upon prompt notice to the other party (and, in case Buyer gives such notice, in advance of actual shipment), shall be excused from making or taking deliveries hereunder to the extent of such prevention, restriction or interference but, at Buyer's option, deliveries so omitted shall be reasonably made, upon notice thereof to Seller, upon cessation of such contingency.

In the event of failing to comply with the delivery terms agreed hereunder, Buyer reserves the right to rescind the Purchase Order or to receive or accept the materials and Seller agrees to pay for expenses and damages resulting from Seller's failure to comply. Bills of lading showing full routing, packing slip, purchase order numbers, etc. should be dated and mailed at the time of shipment. Invoices should be dated and sent any time after the delivery of the materials or performance of the services and a separate invoice must be issued for each destination showing point of shipment and how shipped in accordance with Buyer's billing instructions. Invoices bearing transportation charges must be supported with attached original receipted transportation bills and, in case of consolidated shipments, must show weight and rate. The payment due date and discount period, if any shall be calculated from the date of receipt by Buyer of a correct invoice from Seller. Unless otherwise stated on the face of Purchase Order issued by Buyer or agreed in a writing signed by an authorized representative of Buyer, payment shall be made Net 30 days from the date of Buyer's receipt of the material and a correct invoice.

3. Warranty, Ownership Seller represents and warrants that the materials will conform to the performance characteristics of Seller's representations and specifications. Seller further represents and warrants that all materials, supplies and equipment (herein collectively referred to as materials) delivered and services furnished hereunder will always conform with all applicable federal, state and local laws; that materials or the process by which they are made and the use for which they are specifically designed by Seller will not infringe any registered patent. Seller will defend, indemnify and save harmless Buyer from and against any and all loss, liability and expense by reason of any actual or alleged violation of such laws and any actual or alleged infringement of such patents and Seller shall, upon notification, promptly assume full responsibility for the defense of any suit or proceedings which may be brought against Buyer or any of its employees, owners, agents or vendors by reason of the use or sale of any material or processes furnished hereunder (which are not of Buyer's design) for actual or alleged violation of such laws, infringement of patents or trade secrets, or for alleged unfair competition resulting from similarity of design, trademarks or appearance of material. Seller further shall indemnify and hold Buyer, its employees, owners, agents and vendors harmless from and against any and all expenses, losses, claims, royalties, profits and damages, including court costs and attorney's fees resulting from the bringing of such suit or proceedings or the threat thereof and from any settlement, decree or judgment therein. Buyer reserves the right to control any such suit or proceedings and may be represented by its own counsel in any such suit or proceedings if it so desires.

4. Defects Seller shall be responsible for and will make good any defects in workmanship or materials covered by this purchase order, which defects may appear within 12 months from the date of purchase. Seller is not relieved of the responsibility imposed by this clause, either as to proper packing, quality of materials or specifications, by reason of acceptance by Buyer. Seller shall use industry standard process control techniques for all key characteristics identified on the purchase order or on the drawing. Seller shall maintain records subject to examination, and furnish copies of charts or graphs used in process control with shipments unless waived in writing by the Buyer. Compliance with these terms and conditions shall not absolve Seller from providing acceptable product nor preclude subsequent rejection. Dimensional inspection of all units, parts, or assemblies is required for all associated features. Acceptance and rejection criteria must be indicated on certificate of conformance or packing slip. Returning nonconforming product does not constitute acceptance by Buyer. Individual nonconforming product must be adequately identified. Seller shall notify Buyer when discrepancies in the Seller's process or product are discovered or suspected and may affect parts or assemblies that have already been delivered within a commercially reasonable period of time. Seller shall obtain Buyer's approval for nonconforming product disposition. No additional expenses may be charged on account of storage, packing or for any other service or concept, unless expressly accepted by Buyer. In case of irreparable defect or default by Seller, Buyer may obtain materials and services from other sources and hold Seller responsible for any damages occasioned thereby.

5. Insurance If Seller's employees, subcontractors or other under Seller's control perform services hereunder at Buyer's premises or at premises of others, Seller shall maintain and shall require subcontractors, if any, to contract and maintain the insurances with minimum limits as follows:

Seller and/or subcontractors are required to provide Buyer with a **Certificate of insurance** showing coverage for no less than the limits shown below and will provide additional insured endorsements and waivers of subrogation per the following:

Comprehensive General Liability - \$1,000,000 each occurrence/aggregate including contractual liability and contractor's protective liability. Seller and/or Seller's subcontractors will provide a certificate of insurance along with an additional insured endorsement naming Buyer as additional insured.

Automobile Liability including hired and non-owned automobile coverage with limits not less than \$1,000,000 each occurrence/aggregate. Seller and/or seller's subcontractors will provide a certificate of insurance along with an additional insured endorsement naming Buyer as additional insured.

Workers Compensation – Statutory limits. Seller and/or Seller's subcontractors will provide Waiver of Subrogation endorsement naming the Buyer as additional insured.

Pollution – Seller and/or Seller's subcontractors are required to provide proof of Pollution Liability if they are on or near Buyer's Property with limits of not less than \$1,000,000 and include coverage for ongoing and completed operation. Seller and/or Seller's subcontractors shall provide an additional insured endorsement and waiver of subrogation endorsement naming Buyer as additional insured.

Before commencing to perform such services or to deliver the material, Seller shall furnish insurance certificates as directed by Buyer, satisfactory in form and substance to Buyer, showing the above coverage's and including the obligation of the insurance company of notifying Buyer with at least thirty days in advance of any cancellation or modification thereof. If Seller's employees, subcontractors or others under Seller's control perform services at Buyer's premises or at Buyer's direction at premises of others, (i) such persons shall comply with all rules and regulations of such premises and (ii) Seller shall keep materials and the premises on which the work is done free and clear of all liens for material and labor incident to the performance of Seller's services hereunder. Seller agrees to protect, defend, indemnify and save Buyer harmless from and against any and all expenses, claims, demands or causes of action of every kind and character arising in favor of any person, including employees of both Buyer and Seller, on account of personal injuries or death, or damage to property, arising out of, incident to or resulting directly or indirectly from the performance by Seller hereunder.

6. Confidential Information Seller hereby recognizes that as result of its relations with Buyer, Seller shall have access to Confidential Information, whereby Seller agrees not to disclose to third parties said information nor to use same for any other purpose than the subject matter hereof. Seller shall restrict the use and access to the Confidential Information to its employees who are expressly required to accomplish Seller's obligations hereunder. All planning, drawings, sketches, or specifications issued with purchase order are of the revision in effect on the date of the purchase order and must be returned to Buyer upon completion. No planning, drawings, sketches or specifications shall be copied without the express written consent of Buyer. Seller shall keep confidential and protect from disclosure all information and property obtained from Buyer. Unless authorized, Seller shall use Buyer supplied information and property only in the performance and purpose of the purchase order. Upon request by Buyer and the completion, termination, or cancellation of purchase order, Seller shall return all such information and property to Buyer.

7. Non-Assignment Neither party may assign its rights or delegate its obligations hereunder without the other party's written consent which shall not be unreasonably withheld, except to the assignee of substantially all the assets to which this purchase order relates.

8. Miscellaneous Seller represents and warrants that the sale of materials and the rendering of services subject matter hereof shall be carried out with the personnel hired by Seller, whereby all obligations or responsibilities that may exist between Seller's employees and contractors shall be its exclusive responsibility, or which, if applicable, have been produced in compliance with the requirements of the Fair Labor Standards Act. The relation between Seller and Buyer established herein is of independent contractors, therefore, there shall not exist any franchise, association or company between them, nor either party shall act as agent, employee or representative of the other.

9. Jurisdiction Both parties agree that in the event of any controversy or legal action regarding this Purchase Order the laws and jurisdiction of the competent courts of the State of California, County of Orange shall apply, hereby expressly waiving to any other jurisdiction that may correspond to them may reason of their domicile or otherwise. However, Buyer reserves the right to file a legal action against Seller at its domicile.

10. Entire Agreement This purchase order contains all the terms and conditions agreed upon between the Buyer and the Seller, concerning the materials or services described on the face hereof. This purchase order may not be modified without a prior written agreement from an authorized representative of the Buyer. Any changes to the terms of conditions of this purchase order included in any of the seller's responses are hereby rejected. In the event any of the purchase conditions hereof may be null or void for any reason, the validity of the remaining conditions and clauses shall not be affected.