



1. **ACCEPTANCE of Purchase Order:** All Purchase Orders (“POs”) which are from ATH Stainless Steel are subject to express the condition that it may be accepted only on the terms and conditions mentioned below. Seller shall be bound by this PO when any of the following occur: Seller executes and returns the acknowledgment copy to ATH Stainless Steel. (Hereinafter referred to as “Buyer”); Seller otherwise indicates its acceptance of this PO; or Seller commences Performance or delivers to Buyer any of the goods ordered herein. The date on which Seller becomes bound by this PO in accordance with the above is the “Effective Date”. This PO constitutes the entire agreement between the Buyer and the Seller.
2. **QUALITY ASSURANCE:** Seller shall maintain a **quality assurance** program that conforms to the requirements mentioned in this PO, or as otherwise required by Buyer. Buyer, Buyer's customer, and their respective agents, shall have free access at all reasonable times, subject to normal security clearances in accordance with applicable law, to Seller's and Seller's lower-tier contractors' facilities and personnel to permit monitoring of work from Buyer.
3. **BUYER PROPERTY:** All equipment loaned or supplied to the Seller by Buyer according to this PO shall remain the property of Buyer. The Seller shall be wholly liable for any damage or loss to the said equipment until returned to and accepted by Buyer.
4. **CHANGES:** Buyer may make changes to this PO by Notice to Seller. If any such change causes an increase or decrease in the cost or the time required for performance under any part of this PO, an equitable adjustment in the price or delivery schedule, or both as may be required, shall be negotiated by the Buyer and Seller, and this PO shall be amended in writing accordingly. Any claim for adjustment shall be deemed waived unless asserted by written notice (including details of the claim) to be received by Buyer within the time Buyer mentioned in the Claim. Nothing shall excuse the Seller from promptly proceeding with the PO as amended.
5. **APPLICABLE LAW:** The laws of the Province of Ontario and the Dominion of Canada applicable therein shall govern the legal responsibilities of the parties and the interpretation of this PO. The parties irrevocably attorn regardless of domicile to the jurisdiction of the courts of Ontario. Seller shall conform with all applicable laws and regulations, by-laws and directives relating to the provision of goods and services hereunder, including without limitation all those relating to occupational health and safety, environmental protection, hazardous products and workers’ safety insurance board requirements. The provisions of the United Nations Agreement on the International Sale of Goods are hereby excluded.
6. **TIME OF ESSENCE:** In the event that delivery of goods is not made in the quantities and at the time or times specified, Buyer may, at its sole option and without experiencing



any liability and in addition to all other rights and remedies which it may have pursuant to this PO or otherwise at law or equity, take either or both of the following courses of action: (a) direct efficient routing of goods (the difference in cost between the speed up routing and the PO routing costs to be paid by the Seller); or as to goods not yet shipped, (b) terminate this PO by notice in writing and purchase substitute goods elsewhere and charge the Seller with any loss, direct or indirect, thereby incurred, including, without limitation, any loss incurred as a result of paying more for the replacement goods than would have been paid for the goods to be acquired hereunder.

7. **DELAYS:** Seller shall notify Buyer a day before the occurrence of any event which could affect the delivery schedule, the price, the Seller's performance under this PO or any other condition of or action required to be taken by the Seller under this PO.
8. **INSPECTION AND ACCEPTANCE:** All goods are subject to inspection and approval by Buyer prior to acceptance by Buyer. Neither delivery of goods to Buyer, nor the goods receiving neither inspection, nor payment for the goods by shall constitute acceptance of goods by Buyer. Buyer shall have no obligation to pay for or give other consideration for rejected goods.
9. **WARRANTY:** In addition to any warranty, express or implied by law or otherwise, and not withstanding prior acceptance by Buyer, The warranty for fraud and latent defects shall be perpetual.
10. **CONTINUOUS PERFORMANCE:** Pending the settlement of any dispute, difference or claim arising under this PO, the Seller shall proceed diligently with the performance required of it under this PO.
11. **SUSPENSION:** Buyer may suspend the Seller's performance of the PO, in whole or in part, upon giving the Seller written notice. In the event that a suspension is ordered by Buyer, the Seller shall be entitled to payment for all reasonable costs allowable pursuant to the PO and incurred by the Seller in its performance of the PO up to the date of suspension. Such costs shall be subject to audit by Buyer. In no event shall payment exceed the PO price less any amount previously received by Seller.
12. **TITLE AND RISK:** Seller warrants that delivered goods are free of all liens, encumbrances and other defects of title. Title to the goods shall pass to Buyer upon delivery. This PO shall be performed at the sole risk of the Seller. Without prejudice to Buyer's right of rejection under "INSPECTION AND ACCEPTANCE", risk shall pass to Buyer upon delivery of the goods to the destination specified.
13. **TERMINATION FOR CONVENIENCE:** Buyer has the right to terminate this PO or any part thereof in its sole and absolute discretion upon giving the Seller written notice. The Seller shall immediately cease all action under this PO, and shall be reimbursed for all



goods shipped, subject to acceptance by Buyer, and all expenses properly incurred to the date of termination specified in the notice. In no event shall payment exceed the PO price less any amount previously received by the Seller.

- 14. DEFAULT:** If Seller fails to make satisfactory progress in performing its obligations hereunder, as may reasonably be determined by Buyer, or if Seller is in default of performing any obligation under the PO and fails to take steps satisfactory to Buyer to remedy the default within ten (10) days of receipt of written notice from Buyer, Buyer may at any time by notice terminate all or any part of this PO. Buyer may terminate this PO forthwith if Seller commits any act of insolvency, bankruptcy or enters into receivership, or if Buyer breaches Section 23 hereof.
- 15. SELLER'S LIABILITY:** Seller shall indemnify and save harmless Buyer from and against all claims, demands, proceedings, damages, costs and expenses made against or incurred by Buyer which may be caused by the Seller, directly or indirectly, in whole or in part. Seller's liability shall survive delivery, acceptance, approval or use of the goods or any part thereof, by Buyer.
- 16. LIMITATION OF LIABILITY:** Notwithstanding any other provision of this PO, Buyer's total liability resulting from or in connection with this PO shall not exceed the PO price. In no event whatsoever shall Buyer be liable for indirect or consequential damages or for loss of Seller's use or profit.
- 17. FINANCIAL:** This is a firm fixed-price PO in Canadian dollars (unless stated otherwise on the face of this PO). The price includes all charges, including, but not limited to, charges related to packaging, preservation, transportation, delivery, taxes, costs relating to customs and duties, and shall not be subject to adjustment due to changes in rates. Any amount payable or refundable by the Seller to the Buyer may be taken by the Buyer as a cash refund or may be offset by the Buyer against payment due, or to become due, to the Seller under this or any other Purchase Order between the Buyer and the Seller, as the Buyer in its sole discretion may decide. Credits in favor of the Buyer shall not expire.
- 18. ASSIGNMENT:** Buyer shall have the right to transfer, sell or assign its rights and obligations hereunder upon written notice to the Seller. Seller shall not transfer, sell or assign this PO or any part thereof without the prior written consent of Buyer.
- 19. INTELLECTUAL PROPERTY:** In this section, "Intellectual Property" means inventions, patents, mask works, trademarks, copyrights, trade secrets, know-how and other proprietary information. "Foreground Intellectual Property" means all Intellectual Property which is conceived or made or reduced to a tangible medium of expression during the performance of any of the activities contemplated by this PO. "Background Intellectual Property" means all Intellectual Property which is owned or controlled by



the parties on or prior to the Effective Date of this PO, but not arising from the performance of any of the activities contemplated by this PO. Each party shall continue to own all of its respective Background Intellectual Property. All Foreground Intellectual Property shall be and remain the property of Buyer.

**20. USE OF BUYER PROPRIETARY INFORMATION PROVIDED TO SELLER:** Buyer's Proprietary Information delivered to the Seller under this PO shall be used solely for the purpose of performing the obligations contained in this PO. The Seller agrees that Buyer's Proprietary Information will not be copied or furnished to any affiliate, subsidiary company or third parties except as specifically authorized in advance by ATH Stainless Steel., in writing.

**21. SUPPLIER RESPONSIBILITY:** Supplier is responsible to:

- Notify Buyer of nonconforming product.
- Obtain Buyer approval for nonconforming product disposition.
- Notify Buyer of changes in product/process, changes of suppliers, changes of manufacturing facility location, and where applicable obtain Buyer approval.
- Flow down to the supply chain the applicable requirements including Customer requirements.
- Retain records for 10 years unless otherwise requested/required.

**22. RIGHT OF ACCESS:** Buyer, their customer and regulatory authorities are to have right of access to the applicable areas of all facilities, at any level of the supply chain and to all applicable records.

**23. NOTIFICATION TO BUYER:** Seller is to notify Buyer of non-conforming product or deviation from Purchase Order and obtain Buyer's approval of disposition.

**24. SHIPPING INSTRUCTIONS:** All goods delivered shall be accompanied by a packing slip and, where appropriate, Material Safety Data Sheets. The packing slip shall provide at least the following information: a description of the items, part numbers, revision status, quantity shipped and PO number. The Seller shall comply with all requirements of the Transportation of Dangerous Goods Act (Canada).

**25. Additional Terms & Conditions as per AS9100 D 8.4.3. REQUIREMENT**

- ATH Stainless Steel requires that all the External Providers shall maintain the proper identification and revision status specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
- ATH Stainless Steel reserves the right of final approval of product and services, methods processes and equipment, and the final release of products and services.
- ATH Stainless Steel requires that all special processes required by this purchase order must be performed by competent qualified personnel.



- ATH Stainless Steel reserves the right to identify the requirements for interaction with our external providers including.
  1. The use of interactive documentation.
  2. The use of email/Fax
  3. Documented confirmation methods of all verbal interactions.
- ATH Stainless Steel reserves the right to monitor our external provider's performance including.
  1. Supplier Risk
  2. Quality of product or service delivered.
  3. On time delivery of product or service.
- ATH Stainless Steel reserves the right to designate requirements for verification or validation activities that we or our customer, intend to perform at the external providers' premises.
- ATH Stainless Steel reserves the right to approve or specify any designs, tests, inspection plans, verifications, criteria for design and development required by ATH Stainless Steel from an external provider.
- ATH Stainless Steel reserves the right to approve or specify any special requirements, critical items, or key characteristics;
- ATH Stainless Steel reserves the right to approve or specify any test, inspection, and verification (including production process verification);
- ATH Stainless Steel reserves the right to approve or specify the use of statistical techniques for product acceptance and related instructions for acceptance by ATH Stainless Steel;
- ATH Stainless Steel reserves the right to require the need from External providers to:
  1. Implement a Quality Management System and we reserve the right to review and approve the External Providers Quality Management System.
  - 2.. Require that the External Provider uses customer-designated or approved external providers, including process sources (e.g., special processes)
  3. Require the External Provider to notify ATH Stainless Steel of nonconforming product or services immediately upon discovery and obtain our organizational approval for nonconforming product disposition.
  4. Wherever applicable ATH Stainless Steel reserves the right to require external providers to show evidence of processes to prevent the use of counterfeit parts.
  5. The External Provider is required to: Notify ATH Stainless Steel of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations, ATH Stainless Steel reserves the right to approve such changes.
  6. All External Providers are required to: Flow down to the supply chain the applicable requirements including customer requirements.
  7. ATH Stainless Steel reserves the right to require External Providers to provide test specimens for design approval, inspection/verification, investigation, or auditing.
  8. ATH Stainless Steel requires that all External Providers are to retain all records associated with the purchase orders for a minimum of 10 years or as required by

## Purchase Order Terms & Conditions



contract. ATH Stainless Steel requires the disposition of such documents to be controlled in accordance with the requirements of applicable QMS's.

- ATH Stainless Steel reserves the right of access by our representatives, our customers, and any regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
- ATH Stainless Steel reserves the right to require and request evidence of External Providers ensuring that their personal are aware of:
  - their contribution to product or service conformity;
  - their contribution to product safety;
  - the importance of ethical behavior.