



Terms & Conditions

1. Applicability of Terms and Conditions

The terms of this Agreement shall be applicable to all transactions between Superior Technical Ceramics ("Seller") and _____ ("Buyer"), unless subsequently amended by written agreement executed by Buyer and Seller. The terms of this Agreement supersede any and all purchase orders, terms and conditions, or other documents prepared by Buyer. If this Agreement is an acceptance of Buyer's offer, then such acceptance is hereby conditioned on the Buyer's agreement to the terms and conditions set forth herein, without regard to any terms and conditions presented by Buyer. If this Agreement is an offer, then such offer is only open to acceptance upon the terms and conditions of this set forth herein, without regard to any terms and conditions presented by Buyer.

2. Warranty

Seller expressly warrants that all products sold to Buyer will: (a) be free from all liens, charges, encumbrances, or claims of any person; (b) conform in all respects to all applicable laws, regulations, standards, rules and orders of any applicable governmental authority; (c) meet or exceed the specifications, drawings, designs, or samples provided or agreed to by Buyer; and (d) be delivered, performed, assembled, or constructed in a good and workmanlike manner. Seller hereby expressly denies and negates all other warranties, including but not limited to the WARRANTY OF FITNESS FOR PURPOSE and the WARRANTY OF MERCHANTABILITY.

3. Payment

Payment in full shall be due and payable to Seller upon shipment of the product to Buyer. In cases where Seller has approved the Buyer for credit, then payment in full shall be due and payable within thirty (30) days of shipment of the product to Buyer. Any amounts unpaid after the due date set forth herein shall be subject to additional charges of 1.5% per month. Buyer shall pay to Seller all costs incurred by Seller in collecting any sums due hereunder, including but not limited to all attorney's fees and court costs.

4. Delivery and Quantity

All products shall be cleaned and packaged in accordance with Seller's customary standards, and shall be shipped to Buyer in a timely fashion. If Buyer requires specific dates of shipment, such dates shall be set forth in this Agreement or otherwise in writing, signed by Seller and Buyer.

If Buyer requires special cleaning, packaging or shipping, additional charges will apply.

If Seller has cause to believe that the product or any part thereof cannot be delivered in a timely fashion, it shall promptly notify Buyer accordingly and no adjustment shall be made to the purchase price.

All quantities are subject to an over-run or under-run of ten percent (10%) of the quantity ordered. Orders requiring exact quantity shipments will incur an additional surcharge.

In the event the entire quantity of product is not released by Buyer for shipment within twelve months of the date of the order, the entire order shall be shipped to Buyer, unless otherwise agreed in writing by Seller.

5. Title and Risk

All deliveries are FOB shipping point. Buyer shall bear all risk, loss, or damage to goods in transit. Buyer shall file any claims for shipping damage with the carrier.

6. Cancellation

Buyer may not cancel its order after it is placed with Seller without the written consent of Seller. All cancellations shall be subject to a Cancellation Fee for all costs incurred, including tooling, engineering, materials and manufacturing, and all other costs of processing the cancellation, including but not limited to a restocking fee of twenty-five percent (25%).

7. Price Quotations

The prices and terms of any quotation offered by Seller to Buyer are not subject to modification or change unless approved in writing, signed by Seller. The terms of any such quotes will supersede any conflicting terms of Buyer's purchase order or other documentation. All orders and offers are subject to acceptance by Seller. Seller reserves the right to correct any errors in pricing in any quotations as well as in this Agreement and all other documents related to the sale of products between the parties hereto.



Terms & Conditions (Cont.)

8. Non-Recurring Charges

Tools, dies, jigs, fixtures, gauges, and product engineering and design are considered an integral part of Sellers' manufacturing process ("NRECs"). Seller retains all ownership rights and title to all NRECs. No NRECs will be retained by Seller beyond three years after their last use.

9. Customer Supplied Materials

Any manufacturing material(s) provided by Buyer shall be in ample quantities to allow for reasonable scrap, and all such material(s) must be of suitable quality to facilitate efficient production. Seller is not responsible for loss or damage to any materials supplied by Buyer, whether such loss or damage occurs in or outside the course of normal manufacturing processes. An MSDS of the material is subject to review by Seller before accepting an order.

10. Export Administration Regulations (EAR)

All orders are subject to review and compliance with the Export Administration Regulations (EAR), including review of lists maintained by the Bureau of Industry and Security (www.bis.doc.gov). In the event a license is required for shipment of the purchased product, Seller will apply for the necessary license and product shipment will be subject to approval and receipt of such license. Additional costs may be applied in the event a license is required. If Seller determines that a license is not required for shipment of its product to Buyer, Buyer shall nevertheless adhere to all EAR requirements as defined by the Bureau of Industry and Security.

If Seller determines that an order is not in compliance with all government regulations, Seller may cancel such order(s) at any time. Seller does not assume any liability for goods resold by Buyer unless such resale or intended resale is fully disclosed to Seller at the time the order is placed with Seller.

11. Force Majeure

In the event that Seller's compliance with the terms and conditions of this Agreement is prevented, wholly or in part, by riots, strikes, wars (declared or undeclared), insurrection, rebellions, terrorist acts, civil disturbances, dispositions or orders of governmental authorities, acts of God, or by any other act or cause (other than financial distress or inability to pay debts when due) which is beyond the control of the Seller, such cause being herein called "Force Majeure," Seller shall give notice in detail of Force Majeure condition in writing to the Buyer as promptly as possible after its occurrence. In such case, the obligations of the Seller shall be suspended during the continuance of the Force Majeure condition.

12. Liability and Indemnities

Buyer shall indemnify Seller from and against any losses, expenses, damages, and claims resulting from infringement or claimed infringement of patent or other industrial proprietary or protected rights, in connection with the manufacture and sale of any product manufactured to Buyer's specifications, as well as for all damages, losses, expenses, and claims arising from Seller's use of any material(s) provided to Seller by Buyer. Buyer further agrees to defend and indemnify Seller from and against any claims brought against Seller as a result of any action or inaction on the part of Buyer.

13. Returns, Refunds, and Limitation on Damages

Unless otherwise specified, parts are inspected to a 2.5 Acceptable Quality Level (AQL). Any claim(s) for defective parts must be made within thirty (30) days from the date of shipment to Buyer. Goods may not be returned to Seller without first obtaining a Return Material Authorization (RMA) number. Returns from Buyer which are not accompanied by an RMA number shall be rejected by Seller and all freight charges for said return shall be at Buyer's sole risk and expense. Seller's liability for defective parts shall be limited to replacement or repair, or Seller may, at its option, credit or refund the purchase price to Buyer. At no time, and under no circumstances, shall Seller be liable for any direct, consequential, compensatory, punitive, or other damages to Buyer except as set forth in this paragraph.

14. Insurance

Seller shall maintain adequate worker's compensation insurance, and shall also maintain general liability coverage in an amount not less than \$_____.

15. Taxes

Buyer shall pay all applicable sales, use, excise, VAT, and all other similar taxes. All such taxes shall be added to any prices quoted to Buyer.



Terms & Conditions (Cont.)

16. Proprietary Rights and Confidentiality

Commercial and technical information, including drawings, documents and computer programs regardless of method of storage (and copies thereof) provided by Buyer to Seller, shall be the property of Buyer and may not be used by Seller for any other purpose, without the written consent of Buyer.

Commercial and technical information, including drawings, documents and computer programs regardless of method of storage (and copies thereof) provided by Seller, shall be the property of Seller and may be used by Seller for any of its customers, including but not limited to competitors of Buyer, without Buyer's permission or approval.

All information exchanged between Seller and Buyer, whether oral or written, shall be treated as confidential and shall not be disclosed to a third party without the consent of the other party to this Agreement.

17. Assignment

Neither party may assign its rights and obligations under this Agreement without the express written consent of the other.

18. Governing Law, Venue

This Agreement shall be governed and construed under the laws of the State of Vermont. Disputes arising in connection with or as a result of the terms of this Agreement, and which are not resolved by mutual agreement, shall be settled by court proceedings unless the parties agree otherwise. Any court proceedings shall be brought in the Superior Court, Chittenden County, Vermont.

SELLER

SUPERIOR TECHNICAL CERAMICS CORPORATION

BY: _____ DATE: _____

19. Miscellaneous

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and may not be amended except by a writing signed by the Buyer and Seller. This Agreement shall supersede any contrary terms in any pricing quote or proposal, or similar document, except to the extent such terms specify the price to be paid for the product(s). All other terms in such documents shall be void and unenforceable.

This Agreement may be terminated by either party by giving thirty (30) days written notice to the other. All orders in progress at the time of termination shall be completed by Seller and said termination shall have no effect upon the rights of the parties hereto as they pertain to such prior or existing orders and any liabilities or injuries arising thereunder.

In the event that any provision or portion of this Agreement is determined to be unenforceable or void, then the parties hereto agree that the remainder of this Agreement shall be construed, interpreted, and enforceable to the maximum extent permitted by law.

BUYER _____ BY: _____

DATE: _____