

TERMS AND CONDITIONS OF AGREEMENT: These terms and conditions of purchase include all documents and exhibits attached hereto and all other terms incorporated by reference herein (together referred to as the "Purchase Order"). This Purchase Order shall constitute the final, complete and exclusive statement of this contract and may not be modified or rescinded except by a written change order issued by the Buyer. If this Purchase Order constitutes an offer by the Buyer, agreement by the Seller to furnish the goods or services, or Seller's commencement of such performance or acceptance of payment shall constitute acceptance by Seller of this Purchase Order. ***As an offer, this Purchase Order expressly limits acceptance to its terms and conditions, and notification of objection to any different or additional terms in any response from the Seller is hereby given.*** If this Purchase Order is construed as an acceptance to the Seller's offer, this acceptance is expressly conditioned on the offeror's assent to any additional or different terms contained in this Purchase Order. If the parties have otherwise completed a signed, written contract, the parties agree that the use of this Purchase Order to place orders for goods or services pursuant to such a contract shall be construed to supplement the terms of such written contract only to the extent that the terms and conditions of this Purchase Order are not inconsistent with such written contract. ***Regardless of its construction as an offer, acceptance, confirmation or use to place orders for goods or services pursuant to an earlier contract, this Purchase Order incorporates by reference all terms of the Uniform Commercial Code providing any protection for the Buyer, including, without limitation, all express and implied warranty protection and all Buyer's remedies under the Uniform Commercial Code.***

1. **Definitions:** (a) "Buyer" shall mean Precision Cutting Technologies, Inc and/or the entity identified as the Buyer in this Purchase Order. (b) "Goods" or "Services" shall mean those goods or services identified in this Purchase Order, which may be changed, from time to time by the mutual written agreement of the parties. (c) "Seller" shall mean the party identified as the Seller in this Purchase Order.
2. **Price and Taxes/Fees:** The purchase price for the Goods or Services is set forth in the Purchase Order and is in U.S. Dollars unless stated otherwise. Unless otherwise specified, the purchase price: (i) is a firm fixed price, not subject to increase for any reason, including but not limited to increased raw material costs, increased labor or other manufacturing costs, currency fluctuations, or changes in volume from those estimated or expected; (ii) includes all taxes, customs duties, state and local sales and use taxes, value added taxes, and other government-imposed charges; and (iii) includes all other Seller charges such as handling, storage, transportation, and insurance. Seller shall separately invoice Buyer for any sales, value added, or other taxes or charges that Seller is required by law to pay or collect from Buyer.
3. **Schedule and Delivery; Notice of Delay:** Risk of loss remains with Seller until the Goods have been delivered to Buyer at the location specified in the Purchase Order and accepted by Buyer. Time is and shall remain of the essence in the performance of this Purchase Order. Seller shall notify Buyer in writing immediately of any actual or potential delay to performance. Such notice shall include a revised schedule and shall not constitute a waiver to Buyer's rights and remedies hereunder.
4. **New Materials; Packaging and Shipping:** (a) Seller warrants that all goods to be delivered hereunder shall consist of new materials and do not contain refurbished or reconditioned parts unless Buyer agrees in writing. (b) Seller shall prepare and package the Goods to prevent damage or deterioration and shall use best commercial practice for packing and packaging the Goods, unless otherwise specified in the Purchase Order.
5. **Inspection and Acceptance:** (a) Buyer's final acceptance of Goods or Services is subject to Buyer's final inspection within seven (7) days after receipt at Buyer's facility or such other place as may be designated by Buyer, notwithstanding any payment or prior test inspection. (b) Seller and its suppliers shall establish and maintain a quality control and inspection program. (c) Seller shall keep and maintain inspection, test and related records, which shall be available to Buyer or Buyer's representative. Seller shall allow

- copies to be made and shall furnish all information required by the Buyer or Buyer's representative.
6. **Invoices and Payment:** Buyer will pay Seller the purchase price in accordance with the payment term set forth in the Purchase Order, or if no payment term is set forth in the Purchase Order, Buyer will pay Seller Net 30 days following the later of: (i) receipt of the Goods or acceptance of all of the Services; or (ii) receipt of Seller's valid invoice, unless the invoiced amount is in dispute (the "Payment Start Date"). Buyer may, at its election, set-off against any amounts Seller owes to Buyer; any amounts Buyer owes to Seller. Buyers may withhold payment for shortages and/or non-conforming Goods or Services.
 7. **Changes:** (a) By written order, Buyer may from time-to-time direct changes for: (i) technical requirements; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities, delivery schedules or both; (v) amount of Buyer-furnished property; (vi) time of performance; and (vii) place of performance. (b) If any such change causes an increase or decrease in the price or in the time required for its performance, Seller shall promptly notify Buyer thereof and assert its claim for equitable adjustment within thirty (30) days after the change is ordered, and an equitable adjustment shall be made. However, nothing in this provision shall excuse Seller from proceeding immediately with the directed change(s). Changes shall not be binding upon Buyer except when specifically confirmed in a written Purchase Order or Change Order.
 8. **Force Majeure:** The following events, and only the following events, shall constitute force majeure under this Purchase Order: (i) acts of God or of a public enemy; (ii) acts of Government; (iii) fires; (iv) floods; (v) epidemics; (vi) quarantine restrictions; (vii) strikes; (viii) freight embargoes; and (ix) unusually severe weather. In each case, the failure to perform must be entirely beyond the control and without the fault or negligence of the Seller. Each party shall give the other immediate notice of any event that such party claims is a *Force Majeure* Condition that would prevent the party from performing its obligations hereunder, and of the cessation of the condition. A party's notice under this Section shall include the party's good faith estimate of the likely duration of the *Force Majeure* Condition.
 9. **Termination:** This Purchase Order or an order by Buyer hereunder may be terminated by Buyer with or without cause, in whole or in part, by written notice to Seller. If Buyer terminates for convenience, buyer will pay Seller for Seller's actual and reasonable expenses for the work that has been satisfactorily completed as of the date of termination, but in no event will such payment exceed the agreed upon prices. Either party may terminate this Purchase Order by delivery of written notice to the other party for any material breach not cured within 30 days of receipt of written notice of the breach. Buyer shall have no further payment obligation to Seller under any terminated Purchase Order if Buyer terminates the Purchase Order for a material breach. Upon termination for cause, Buyer may require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer, any partially completed Goods and raw material, parts, tools, dies, jigs, fixtures, plans, drawings, services, information and contract rights as Seller has produced or acquired for the performance of this Purchase Order, including the assignment to Buyer of Seller's subcontracts. The rights and remedies of Buyer in this clause are in addition to any other rights and remedies provided by law or under this Purchase Order. All obligations or duties which, by their nature, extend beyond the expiration or termination.
 10. **Goods Warranty:** Unless stated otherwise in the Purchase Order, Seller shall warrant to Buyer and its customers all Goods against defects in design and performance for a period of the longer of: (i) one year following delivery or (ii) any greater warranty period specified elsewhere in the Purchase Order or Seller's documentation accompanying the Goods. If this Contract is for delivery of Goods, Seller shall observe, comply with and afford Buyer all applicable Uniform Commercial Code warranties contained in the

Washington Consolidated Laws, and Seller hereby acknowledges that Buyer does not waive or accept any disclaimer of any such warranties.

11. **Compliance with Laws and Right of Access:** Seller warrants that it is knowledgeable of and is in and will remain in full compliance with all laws, rules and regulations that are, or may become, applicable to the provision of Goods or Services to Buyer. In particular, and without limitation, Seller will comply with all applicable United States export laws and regulations, the United States Foreign Corrupt Practices Act, and any other applicable anti-bribery legislation. Seller shall allow right of access by Buyer or its duly authorized representatives to any area of Seller's or Seller's supply chain sub-tier premises where any part of the work relating to this Purchase Order is being performed, and to all applicable records, upon reasonable prior notice, to verify that Seller is in full compliance. Seller shall, without additional costs to Buyer, provide all reasonable in plant accommodations, facilities, and assistance for the safety and convenience of the Buyer and the Buyer's representatives.
12. **Notification of Nonconforming Goods:** Seller shall notify Buyer of nonconforming Goods detected after delivery of Goods, which could or does affect Goods delivered.
13. **Notification of Changes in Product Definition:** Seller shall notify Buyer of changes in product definition (material, processing, configuration, etc.) that could affect acceptance of Goods, including any change in the location of facilities where the Goods are being made.
14. **Services Warranty:** Unless stated otherwise in this Purchase Order, Seller shall warrant all Services against defects in performance for a period of one year following delivery. If this Purchase Order includes the provision of Services, Seller warrants that it has and will maintain sufficient trained personnel to promptly and efficiently execute the Services contemplated hereunder. Seller further warrants that the Services shall be performed to at least the standard of performance reasonably expected of similar service providers in Buyer's geographic area.
15. **Ownership and Intellectual Property:** Unless otherwise specified, all work product developed by Seller and provided to Buyer hereunder are and shall remain the property of Buyer. Seller grants Buyer all rights and licenses necessary for Buyer and its affiliates to use, transfer, pass through, and sell the Goods or deliverables provided hereunder and to exercise the rights granted hereunder.
16. **Limitation of Liability:** TO THE FULL EXTENT PERMITTED BY LAW, IN NO EVENT WILL BUYER OR ITS AFFILIATES BE LIABLE TO SELLER FOR ANY LOST REVENUES, LOST PROFITS, INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF OR RELATING TO THIS PURCHASE ORDER OF ANY KIND FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, THE BREACH OF THIS AGREEMENT OR ANY TERMINATION OF THIS AGREEMENT, WHETHER OR NOT BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. IN NO EVENT SHALL THE BUYER'S LIABILITY TO SELLER WITH RESPECT TO THE SUBJECT MATTER OF THIS PURCHASE ORDER EXCEED THE TOTAL AMOUNT OF FEES ACTUALLY PAID BY THE BUYER TO SELLER HEREUNDER.
17. **Governing Law:** This Purchase Order will be interpreted under, and any disputes arising out of this agreement will be governed by, the laws of the State of Washington, USA, without regard to its conflict of laws principles. The provisions of the 1980 U.N. Convention on Contracts for the International Sale of Goods, as amended, will not apply to this Purchase Order or any transactions under this agreement.
18. **General:** (a) Any services performed by Seller shall be performed as an independent contractor. (b) Seller shall not use the name or trademarks of Buyer or otherwise identify Buyer in any publication, public announcement, or press release without the prior written consent of Buyer. (c) Seller may not assign its rights or subcontract its duties without prior written consent of Buyer. Any unauthorized assignment or

delegation is void. (d) If and to the extent any provision of this Purchase Order is held invalid or unenforceable at law, such provision will be deemed severable from the remainder of this agreement and will in no way affect, impair or invalidate any other covenant, condition or other provision contained in this Purchase Order.

19. **Prevent the Use of Counterfeit Parts:** Seller shall require its suppliers to take steps to eliminate the risk of counterfeit parts or services. Counterfeit parts or services that are unlawful or unauthorized reproductions, substitutions or alterations deviating from the original point of manufacturing. All employees are trained per PCT QMS QM 4.4 section 8.1.4, checking for the potential signs of counterfeit parts such as false identification of material, lot-batch numbers, dates, serial numbers and incorrect packaging or labeling.
20. **Ensuring Awareness of Safety, Service and Ethical Behavior:** Seller shall hold the highest standards of ethical business conduct from all employees in their performance of company responsibilities. Employees are also responsible for truthful documentation. The seller shall comply with the AS/EN/JISQ 9100 requirements and PCT QMS QM 4.4 section 8.5.2 regarding the application of the Acceptance Authority Media (AAM) Requirements.
21. **Implementing the Quality System:** Seller shall coordinate and direct all producers, processes and responsibilities to the company's Quality Management System to achieve the highest quality results.