



KROMET

INTERNATIONAL

**Purchasing Terms &
Conditions, 2023**

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1.0 Purchase Order:

This Purchase Order is an offer to buy goods or services (Goods) consistent with the description and other terms specified on its face. Acceptance of this order is limited to the terms and conditions hereof, and the parties agree that this Purchase Order and Buyer's standard Purchase Order Terms and Conditions, together with any documents incorporated by reference (collectively PO Terms), constitutes the sole and entire agreement between the parties and supersedes all prior or contemporaneous terms or understandings. Kromet International ("Buyer") hereby objects to any additional, different, or conflicting terms provided by Seller in its order acknowledgement or any other Seller document. Such additional or different terms are not a part of this Purchase Order without the Buyer's express written consent. Seller's (i) issuance of a Purchase Order acknowledgement, (ii) shipment of Goods, (iii) invoice for Goods, or (iv) commencement of work shall constitute acceptance of this Purchase Order and the PO Terms.

2.0 Blanket Purchase Orders:

Buyer uses Blanket Purchase Orders from time to time, identified as such, to establish price and quantity estimates which may be purchased when indicated by submission of a Firm Release under an indicated Blanket Purchase Order. Terms and conditions when Buyer intends to thereafter purchase some portion of Buyer's requirements under a Blanket Purchase Order shall be specified through the communication of a Firm Release for Products from Seller pursuant to the terms and conditions established therein; such Blanket Purchase Orders do not constitute a commitment by Buyer to purchase any specific amount of Products from Seller. When a Blanket Purchase Order has been issued, Buyer's commitment to purchase a specific quantity or amount of Products will be established through a subsequent firm release.

- A. Due Dates: Due dates listed on Blanket Purchase orders are based upon one calendar year and are not to be used for production planning purposes.
- B. Purchase Commitment Established through Firm Release: In the case of a Blanket Purchase Order for purchases facilitated through Seller, each firm release:
 - i) will identify a specific amount or value of Products to be purchased by Buyer; and ii) may contain additional terms for the purchase of Products as determined by Buyer. When such a release is issued by Buyer for the purchase of Products, Buyer has committed to purchase only that discreet amount or quantity of Products identified in the release. A Seller shall not procure any Products on Buyer's behalf nor deliver any Products to Buyer beyond those contemplated in such release. A Seller agrees to accept all releases issued by Buyer which are subject to a Blanket Purchase Order and to be paid the price established by Buyer on the Blanket Purchase Order or release.

3.0 Delivery

Time is a critical factor for Buyer and Buyer's customers. Deliveries must meet the dates and requirements provided to Seller. Delivery shall be made at the place or places Buyer specifies consistent with the shipping instructions established by Buyer in this Purchase Order or in subsequent notices to Seller. Seller must keep Buyer fully informed of progress under this Purchase Order and promptly notify Buyer whenever there is reasonable doubt that delivery will occur as scheduled. Seller must follow Buyer's instructions as to manner of shipment, carriers, routing, freight prepayment, and other matters. If there is reasonable expectation that delivery schedules will not be met, Buyer may, at its option and without liability: (i) cancel Buyer's obligation under this Purchase Order for Goods not

delivered, (ii) effect cover, and (iii) charge Seller with any loss incurred. If the Goods are delivered in advance of the delivery schedule, Buyer may, at its option, (a) return the Goods at Seller's expense for redelivery at the proper time, (b) withhold payment for the Goods until such time as payment would have become due had delivery been made at the scheduled time, or (c) place the Goods in storage at Seller's expense and for Seller's account until the time provided for delivery. Unless otherwise specified by Buyer in writing, all shipments under this Purchase Order shall be EXW.

4.0 Price:

Prices stated on this Purchase Order apply to all shipments on this Purchase Order, and Seller warrants that the prices do not exceed the prices Seller charges other buyers for the same type of product in comparable quantities. Buyer has no obligation to honor invoices for Goods at any increased price until Buyer's authorized agent confirms the increase in writing. Seller must separately state on its invoices the amount of any tax applicable to the sale under this Purchase Order and payable by Buyer in the absence of evidence of lawful exemption. Unless otherwise expressly stated on the Purchase Order, the price shown on the Purchase Order includes all charges, freight, and packaging.

5.0 Quantity:

Where this Purchase Order is for purchase and sale of a stated quantity, Buyer is not obligated to purchase any additional quantity.

6.0 Invoicing & Shipping Documents

Immediately upon shipment of the Goods, Seller must submit to Buyer an invoice for the Goods shipped. The invoice will accurately state the date, place, and mode of shipment, the number of packages or other containers shipped, the contents of each package or other container, and the Purchase Order number. Accompanying each invoice will be a copy of each shipping document, including express receipts. Buyer agrees to pay all undisputed amounts reflected on each invoice within the agreed upon payment terms or as otherwise stated on the face.

7.0 Changes:

Buyer reserves the right to make changes in drawings, specifications, delivery instructions, delivery schedule and quantity ordered at any time by notice to the Seller. Seller agrees to promptly comply with such changes. If any change increases or decreases the cost or time required to perform under this Purchase Order, Buyer and Seller will agree in writing on an equitable adjustment in the price or delivery schedule or both.

8.0 Buyer's Drawings & Specifications

Seller is obligated to provide Goods within the tolerance and limitations specified on drawings and or specifications covering the work, and Seller must make all tests specified in the drawings or test specifications, unless deviation is authorized by written Change Order. Verbal changes or tolerance revisions are not sufficient and will not provide grounds for noncompliance with the drawings or specifications, regardless of their source. Seller understands and agrees that the benefits of Buyer's designs and manufacturing information will not extend beyond the scope and subject matter of this

Purchase Order. Buyer and Seller agree that all designs and information provided by Buyer are confidential and for the Buyer's exclusive benefit.

9.0 Warranty:

Seller warrants that all Goods delivered to satisfy this Purchase Order conform to the specifications or other descriptions furnished or specified by Buyer and consist of all new materials; are merchantable, of good material and workmanship, free from defect, and are governed by, produced and provided in compliance with all applicable laws relating to goods and services. Except to the extent that Seller is expressly and specifically exempted from design responsibility, Seller warrants that the Goods are fit for the particular purpose for which they are intended and manufactured. The Seller warranties contained herein survive delivery and inspection of the Goods.

10.0 Compliance with Laws:

Seller will comply with, and give all certifications, stipulations, and representations required by, all applicable Executive Orders, federal, provincial/state, and local laws, and the rules, regulations, orders and requirements hereunder.

11.0 Inspection & Conformance with Specifications – Rejections:

Buyer shall have a reasonable time after delivery or performance to inspect the items delivered or the services performed. All such items or services must conform to the specifications, instructions, drawings and data set forth on the face hereof or incorporated herein by reference and/or to samples whether furnished by Seller or Buyer as well as to all Seller's warranties (express or implied) and Buyer may reject and refuse acceptance of any items or services which do not so conform. Buyer shall notify Seller of such rejection by either notice in writing or by the return to Seller of the rejected items at Seller's expense and risk. If rejection is by notice in writing, Buyer may thereafter either hold the rejected items for Seller or return the same to Seller, in either case, at Seller's expense and risk. Buyer shall not be obligated to accept excess or under shipments. Such shipments in whole or in part may be returned to Seller or its expense and risk

12.0 Tools, Dies, Molds, Fixtures:

All tools, dies, molds, fixtures, and other equipment that Buyer furnishes to Seller or for which Buyer makes any separately identified payment to Seller, or which are procured by Seller solely for use in the manufacture or production of the Goods furnished to Buyer, are and remain the property of Buyer, will be used solely for the benefit of Buyer, and will be plainly marked or otherwise identified as the Buyer's property. While in the Seller's possession, such property will be maintained in first class operating condition at Seller's expense, insured and safely stored separate and apart from Seller's property, and will be promptly surrendered to Buyer without additional cost upon written request.

13.0 Insurance

Seller agrees to indemnify and hold harmless Buyer, its officers, employees, and agents, from any expense, damage and/or liability, of whatsoever type or nature or regardless of how incurred (including, without limitation, attorney's fees and other expenses incurred by Buyer), arising out of or incurred in connection with (i) Seller's performance under this Purchase Order, or (ii) Seller's breach of its obligations and/or warranties set forth herein. If this Purchase Order provides for Seller to render services, Seller agrees that such services are to be rendered by Seller as an independent contractor, that Buyer is to have no responsibility for the acts of bodily injury to, death of, or loss of employment by Seller or Seller's agents or employees; and that Seller will indemnify and hold harmless Buyer, its officers, employees, and agents, from any and all liability and expense (including attorney's fees and other litigation or settlement expense) with respect to any and all claims for bodily injury or death or property loss or damage arising out of or attributable to the performance of this Purchase Order. Seller will, at Buyer's option, defend such matters with counsel acceptable to Buyer. Upon the request of Buyer, Seller shall furnish to Buyer such fidelity and performance bonds as Buyer may reasonably specify, evidence that Seller has adequate public liability and property damage insurance, in amounts and with companies acceptable to Buyer, and evidence that Seller has made adequate provisions for satisfying workers unemployment compensation claims (including Workers Compensation Insurance at least meeting statutory requirements). Seller shall submit to Buyer certificates evidencing such coverage. All such policies shall provide that the coverage thereunder shall not be terminated or materially altered without at least ten (10) days prior written notice to Buyer.

14.0 Suspension or Cancellation Without Indemnification:

In the event Buyer reasonably concludes that (a) by reason of war or other emergency conditions, national defense activities, inability to secure transportation, embargoes, strikes, differences with workers, accidents at Buyer's plants, or any other similar or dissimilar contingency beyond Buyer's reasonable control and arising subsequent to the date of this Purchase Order but before delivery of the Goods, and the Goods or any part thereof cannot be used by Buyer for the purpose it intended as of the date of the Purchase Order, or (b) for any reason, including, without limitation, the financial condition of Seller, Seller's prior performance under this Purchase Order or any similar occurrence (including failure to meet reasonable delivery schedules and repeated failure to meet quality and specifications standards), or accidents or differences with workers at Seller's plants, Seller's timely performance under this Purchase Order is doubtful, then Buyer may, at its election, by notice to Seller without indemnity to Seller or other liability on the part of Buyer: (i) suspend shipment of the Goods or any part thereof for a period or periods in the aggregate not exceeding ninety (90) days, (ii) cancel this Purchase Order as to undelivered Goods or any part thereof, or (iii) so suspend shipment and, thereafter, during the period of suspension, cancel this Purchase Order.

15.0 Termination Without Cause:

Buyer may, at any time and without cause, terminate this Purchase Order in whole or in part by notice to Seller specifying the extent of such termination. In the event of termination without cause, (a) Seller will immediately terminate work to the extent specified and, for the benefit of Buyer, dispose of finished Goods and work-in-progress on the Goods as Buyer may direct in

writing, and (b) Buyer shall pay to Seller an amount, if any, not in excess of the unpaid aggregate price specified in this Purchase Order, equal to the sum of (i) the contract price for items or finished Goods in Seller's hands at the time of termination plus (ii) Seller's actual, documented cost (as determined by Buyer's certified public accountants in accordance with generally accepted accounting principles) incurred prior to termination and attributable to the terminated portion of the work. In addition to any other rights set forth herein, in the event Seller breaches any of its obligations hereunder, Buyer may, at any time, terminate this Purchase Order by notifying Seller. Buyer has no further obligations except to pay the undisputed amounts for any Goods received by Buyer prior to the termination date.

16.0 Taxes:

Unless separately stated, Seller agrees that all excise, occupational, sales, use, and other taxes applicable to the sale or purchase of materials or articles, or applicable to Seller's work or to Seller's receipts for the performance of the work covered by this Purchase Order shall be paid by Seller, and Seller shall indemnify and hold Buyer harmless from and against all liability for such taxes.

17.0 Technical Information Disclosed to Buyer:

Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information, which Seller discloses or may disclose to Buyer in connection with the Goods or services covered by this Purchase Order and unless otherwise agreed in writing, no commercial, financial, or technical information disclosed by Seller to Buyer is confidential.

18.0 Duty Drawback Rights:

This Purchase Order includes all related customs, duty, and import drawback rights, if any, (including rights developed by substitution and rights which may be acquired from Seller's suppliers) which Seller can transfer to Buyer. Seller agrees to inform Buyer of the existence of any such rights and, upon request, to supply such documents as may be required to obtain such drawback.

19.0 Confidential Information:

Seller agrees to hold all Buyer's confidential information and trade secrets, as defined by Ontario law, including, but not limited to, designs and manufacturing information, in strict confidence and to not disclose said confidential information and trade secrets to any third party at any time or to use such information for any purpose except to fulfill its obligations to Buyer under this Purchase Order. Seller's obligation to maintain the Buyer's confidential information exists for a period of two years from the Purchase Order date. Buyer and Seller agree that any of Buyer's confidential information including drawings, specifications and all copies of same will be returned to Buyer upon Buyer's written request.

20.0 Works for Hire:

To the extent that Seller creates any works of authorship for Buyer in connection with this Purchase Order (the Work Product), the Work Product shall be deemed a work made for hire pursuant to the provisions of the Canada Copyright Act, and Buyer's shall be deemed the author and owner of such Work

Product. To the extent that the Work Product fails to qualify as a work made for hire, Seller, by commencing performance under this Purchase Order, hereby irrevocably assigns to Buyer any and all right, title and interest that it has in the Work Product. Seller’s assignment hereunder shall be deemed a continuing assignment, effective for all Work Product created by Seller hereunder. By commencing performance under this Purchase Order, Seller warrants that is has the full and complete authority to make the grants and agreements contained herein and that no other party has or shall ever have any right or license in the Work Product, including any subcontractor, employee, or other party claiming by or through Seller.

21.0 Document Details

Originator:	George Siha
Origin Date:	2023-06-07
Revision # & Revision Date	1
Site / WorkCentre	All Kromet Sites & Suppliers

22.0 Document Approvals

Approver - Title	Signature	Date
Cuong Dang – Director Supply Chain		