

Atomic Machine & EDM General Terms & Conditions Agreement

1. TERMS OF AGREEMENT

The purchase order, together with these Terms and Conditions, and any attachments and exhibits, specifications, drawings, notes, instructions, and other information, whether physically attached or incorporated by reference (collectively the “Purchase Order”), constitutes the entire and exclusive agreement between Atomic Machine & EDM Inc. (ATM) and the “Customer” identified in the Purchase Order. ATM’s submission of the Purchase Order is conditioned on Customer’s agreement that any terms different from or in addition to the terms of the Purchase Order, whether communicated orally or contained in any purchase order confirmation, invoice, acknowledgement, release, acceptance, or other written correspondence, irrespective of the timing, shall not form a part of the Purchase Order, even if Customer purports to condition its acceptance of the Purchase Order on ATM’s agreement to such different or additional terms. Customer’s electronic acceptance, acknowledgement of this Purchase Order, or commencement of performance constitutes Customer’s acceptance of these Terms and Conditions. Notwithstanding the foregoing, if a master agreement covering procurement of the Work described in the Purchase Order exists between the Customer and ATM, the terms of such master agreement shall prevail over any inconsistent terms herein.

2. DEFINITIONS

2.1 “Deliverables” means the deliverables specified in the Purchase Order (and any Statement of Work) to be delivered on or before the Delivery Date.

2.2 “Delivery Date” means the date or dates specified in the Purchase Order by which the Customer is required to deliver the Work.

2.3 “Intellectual Property Rights” means any and all tangible and intangible: (i) copyrights and other rights associated with Works of authorship throughout the world, including but not limited to copyrights, neighboring rights, moral rights, and mask Works, and all derivative Works thereof; (ii) trademark and trade name rights and similar rights; (iii) trade secret rights; (iv) patents, designs, algorithms, utility models, and other industrial property rights, and all improvements thereto; (v) all other intellectual and industrial property rights (of every kind and nature throughout the world and however designated) whether arising by operation of law, contract, license, or otherwise; and (vi) all registrations, applications, renewals, extensions, continuations, divisions, or reissues thereof now or hereafter in force (including any rights in any of the foregoing).

2.4 “Preexisting Materials” means any Intellectual Property Rights or tangible personal property of Customer or ATM created before the date of this Purchase Order or outside the scope of this Purchase Order.

2.5 “Products” means tangible goods specified in the Purchase Order to be delivered on or before the Delivery Date.

2.6 “Services” means the services that ATM is to perform for the Customer or vice versa, specified in the Purchase Order.

2.7 “Statement of Work” or “SOW” means the document specifying, without limitation, the scope, objective, and time frame of the Work that ATM will perform for the Customer or vice versa.

2.8 “Subcontractor” means a third-party performing Work under an agreement (a “Subcontract”) with Customer.

2.9 “Customer Personnel” means Customer’s employees, consultants, agents, independent contractors, and Subcontractors.

2.10 “Third Party Intellectual Property” means the Intellectual Property Rights of a third party which the Customer uses or incorporates into the Work.

2.11 “Work” means the Deliverables, Products, and Services specified in the Purchase Order, including any SOW.

3. DELIVERY

3.1 Time is of the essence in ATM’s performance of its obligations. ATM will immediately notify Customer if ATM’s timely performance under the Purchase Order is delayed or is likely to be delayed. ATM’s acceptance of Customer’s notice will not constitute ATM’s waiver of any of Customer’s obligations.

3.2 If ATM delivers Work after the Delivery Date, the Customer may reject such Work.

3.3 ATM will hold any Work rejected under this Purchase Order at Customer’s risk and expense, including storage charges, while awaiting Customer’s return shipping instructions. Customer will bear all return shipping charges, including without limitation, insurance charges ATM incurs on Customer’s behalf. ATM may, in its sole discretion, destroy or sell at a public or private sale any rejected Work for which ATM does not receive return shipping instructions within a reasonable time, and apply the proceeds, if any, first toward any storage charges.

3.4 Customer will preserve, pack, package, and handle the Deliverables and Products so as to protect the Deliverables and Products from loss or damage and in accordance with best commercial practices in the absence of any specifications ATM may provide. Without limiting the foregoing, Customer shall observe the requirements of any local laws and regulations relating to hazardous Work, including, without limitation, with respect to its accompanying information, packing, labeling, reporting, carriage, and disposal.

3.5 Customer will include with each delivery of Products a packing list identifying the Purchase Order number, the ATM part number for each of the Products (if applicable), a description and the quantity of each of the Products, and the date of shipment.

3.6 Unless ATM expressly instructs otherwise, Customer will deliver all Work to ATM’s plant at the address set forth in the Purchase Order. Seller assumes responsibility for all shipping and delivery charges including, without limitation, customs, duties, costs, taxes, and insurance. Risk of loss for the Deliverables and Products does not pass to ATM until acceptance in accordance with Section 6.

4. PRICE AND PAYMENT

4.1 Unless otherwise specified in the Purchase Order, the price for the Work includes all taxes and other charges such as shipping and delivery charges, duties, customs, tariffs, imposts, and government-imposed surcharges. Customer will, at ATM’s request, break-out from the price all such taxes and other charges, in its invoices. Customer shall use its best efforts to assist ATM in all legal efforts to minimize the taxes resulting from the performance of this Purchase Order.

4.2 ATM will pay Customer the price in accordance with the payment terms set forth in the Purchase Order following the later of:

(i) the Delivery Date;

(ii) the date of ATM’s acceptance of all of the Work; or

(iii) ATM’s receipt of a properly prepared invoice. A properly prepared invoice must include the Purchase Order number and, if required in the Purchase Order, Customer’s certification of conformance of the Work to the requirements.

Payment will be in the currency of the country in which the ATM entity or affiliate identified in the Purchase Order is located, and if the price set forth in the Purchase Order is not in the local currency, then ATM will determine the local currency equivalent of the price as of date of payment. ATM may, at any time, set-off any amounts Customer owes ATM against any amounts ATM owes to Customer or any of its affiliated companies.

5. OWNERSHIP AND LICENSE

5.1 Unless otherwise specified in a SOW and except as provided in Section 5.2, ATM is the sole and exclusive owner of all Deliverables and Customer hereby irrevocably assigns and transfers to ATM all of its worldwide right and title to, and interest in, the Deliverables, including all associated Intellectual Property Rights.

5.2 Unless otherwise specified in a SOW, each party owns all right, title, and interest in and to any of its Preexisting Materials. Customer hereby grants ATM a perpetual, irrevocable, worldwide, transferable, royalty-free, non-exclusive license, with the right to sublicense and authorize the granting of sublicenses, to use and reproduce Customer's Preexisting Materials in the Deliverables to the extent necessary for ATM's exercise and use of its rights in the Deliverables.

5.3 Unless otherwise specified in an SOW, Customer will obtain and assign to ATM a nonexclusive, royalty-free, worldwide, perpetual, irrevocable, transferable, sub-licensable license to use all Third-Party Intellectual Property Rights incorporated into, required to use, or delivered with the Work. Customer will deliver copies of the above releases and licenses to ATM upon ATM's request.

6. INSPECTION AND ACCEPTANCE

ATM may reject any or all of the Work which does not conform to the applicable requirements within 10 business days of Customer's delivery of the Work. At ATM's option, ATM may (i) return the nonconforming Work to Customer for a refund or credit, (ii) require Customer to replace the non-conforming Work, or (iii) repair the non-conforming Work so that it meets the requirements. As an alternative to (i) through (iii), ATM may accept the non-conforming Work conditioned on Customer providing a refund or credit in an amount ATM reasonably determines to represent the diminished value of the non-conforming Work. ATM's payment to Customer for Work prior to ATM's timely rejection of such Work as nonconforming will not be deemed as acceptance by ATM.

7. CHANGES

7.1 As used in this Section 7, "Change" means a change ATM directs or causes within the general scope of this Agreement, the applicable SOW, or both.

7.2 ATM, by written order ("Change Order"), may make Changes in accordance with this Section 7.

7.3 If Customer asserts that ATM has directed or caused a Change to the cost of or time for performance for which ATM has not issued a Change Order, Customer will promptly notify ATM in writing of the Change, providing (i) a description of the action or inaction asserted to have caused the Change, (ii) an estimate of the equitable adjustment that would be required for Customer to perform the Changed Work, and (iii) a date no less than 30 days from the date of notice by which ATM must respond to Customer's notice so that Customer may proceed with the Work unchanged. ATM will evaluate Customer's notice of Change in good faith, and if ATM agrees that it has made a constructive change, ATM will issue a Change Order to Customer.

7.4 Customer shall, as promptly as practicable, after giving the notice of the Change, or within 10 days of receiving a Change Order, submit a request for equitable adjustment specifying the adjustment in the price or time for performance resulting from the Change.

7.5 The parties shall negotiate an amendment to the applicable SOW to incorporate a Change Order providing for an equitable adjustment to the price, time for performance, or both.

7.6 Customer will proceed with the Changed Work as directed, notwithstanding that the parties have not negotiated the amendment to this Agreement or the applicable SOW to incorporate the equitable adjustment.

8. REPRESENTATIONS AND WARRANTIES

8.1 Customer represents and warrants that:

- (i) it has the full power to enter into the Purchase Order and to perform its obligations under the Purchase Order;
- (ii) it has the right and unrestricted ability to assign the Work to ATM including, without limitation, the right to assign any Work performed by Customer Personnel and Subcontractors;
- (iii) the Work, and ATM's use of the Work, do not and will not infringe upon any third party's Intellectual Property Rights, right of publicity or privacy, or any other proprietary rights, whether contractual, statutory, or common law;
- (iv) Customer will not disclose to ATM, bring onto ATM's premises, or induce ATM to use any confidential or proprietary information that belongs to anyone other than ATM or Customer which is not covered by a non-disclosure agreement between ATM and Customer;
- (v) Software supplied by Customer does not contain any Harmful Code;
- (vi) Customer's Work conforms to ATM's specifications, Customer's quotation or proposal, and Customer's brochures or catalogs, and if none of the foregoing is applicable, then such Work is suitable for the intended use;

8.2 ATM warrants and represents to Customer that it has the full power to enter into the Purchase Order and to perform its obligations under the Purchase Order.

8.3 TO THE EXTENT ALLOWED BY APPLICABLE LAW, NO OTHER WARRANTIES ARE MADE, EITHER EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

9. ASSIGNMENT AND SUBCONTRACTING

9.1 Customer may not assign any of its rights or delegate any of its obligations under the Purchase Order without ATM's prior written consent, which ATM will not unreasonably withhold. ATM may, at its option, void any attempted assignment or delegation undertaken without ATM's prior written consent.

9.2 Customer may not subcontract any of its rights or obligations under the Purchase Order without ATM's prior written consent. If ATM consents to the use of a Subcontractor, Customer will: (i) guarantee and will remain liable for the performance of all subcontracted obligations; (ii) indemnify ATM for all damages and costs of any kind, subject to the limitations in Section 12 (Indemnification), incurred by ATM or any third party and caused by the acts and omissions of Customer's Subcontractors; and (iii) make all payments to its Subcontractors. If Customer fails to timely pay a Subcontractor for Work performed, ATM will have the right, but not the obligation, to pay the Subcontractor and offset any amount due to Customer by any amount paid to the Subcontractor. Customer will defend, indemnify, and hold ATM harmless for all damages and costs of any kind, without limitation, incurred by ATM and caused by Customer's failure to pay a Subcontractor.

9.3 To the extent allowed by applicable law, no person who is not a party to Purchase Order shall be entitled to enforce or take the benefit of any of its terms whether as a result of applicable legislation, custom or otherwise.

10. TERM AND TERMINATION

10.1 The Purchase Order will remain in effect with respect to any SOW already issued prior to expiration of the term of the Purchase Order until such SOW is either terminated or the Work is completed and accepted.

10.2 ATM may terminate this Purchase Order, any SOW, or both at any time, for no reason or for any reason, upon 15 days written notice to Customer. Upon receipt of notice of such termination, Customer will inform ATM of the extent to which it has completed performance as of the date of the notice, and Customer will collect and deliver to ATM whatever Work then exists. ATM will pay Customer for all Work performed and accepted through the effective date of the termination, provided that ATM will not be obligated to pay any more than the payment that would have become due had Customer completed and ATM had accepted the Work. ATM will have no further payment obligation in connection with any termination.

10.3 Either party may terminate the Purchase Order, any SOW or both, immediately by delivering written notice to the other party upon the occurrence of any of the following events: (i) a receiver is appointed for either party or its property; (ii) either makes a general assignment for the benefit of its creditors; (iii) either party commences, or has commenced against it, proceedings under any bankruptcy, insolvency, or debtor's relief law, if such proceedings are not dismissed within 60 days; or (iv) either party is liquidating, dissolving, or ceasing to do business in the ordinary course.

10.4 ATM may immediately terminate the Purchase Order upon written notice to Customer if there is a change in ownership representing 20 percent or more of the equity ownership of Customer.

10.5 Either party may terminate this Purchase Order, any SOW or both, immediately by delivering written notice to the other party for any material breach not cured within 30 days of receipt of notice of the breach. ATM shall have no further payment obligation to Customer under any terminated SOW if ATM terminates the SOW under this Section 10.5.

10.6 Any obligations or duties which, by their nature, extend beyond the expiration or termination of the Purchase Order shall survive the expiration or termination of the Purchase Order.

11. CONFIDENTIAL INFORMATION AND PUBLICITY

11.1 If ATM and Customer have entered into a Non-Disclosure Agreement ("NDA") which covers disclosure of confidential information under the Purchase Order, and if the term of the NDA expires before the expiration or termination of the Purchase Order, then the term of the NDA shall be automatically extended to match the term of the Purchase Order.

11.2 The parties shall treat the terms, conditions, and existence of the Purchase Order as Confidential Information as defined in the NDA.

11.3 Customer shall obtain ATM's written consent prior to any publication, presentation, public announcement, or press release concerning its relationship as a Customer to ATM.

12. INDEMNIFICATION

12.1 As used in this Section 12, a "Claim" is any claim, demand, loss, damage, liability, cost, or expense (including professional fees and costs as incurred) for which one party (the "Indemnifying Party") may be obligated to defend, indemnify, and hold the other party (the "Indemnified Party") harmless.

12.2 Customer shall defend, indemnify, and hold ATM harmless from and against any and all Claims as incurred, arising out of or in connection with any (i) act or omission of Customer (including its subcontractors) in the performance of the Work; or (ii) any infringement of a third party's Intellectual Property Rights or any other rights.

12.3 ATM shall indemnify and hold Customer harmless from and against any and all Claims as incurred, arising out of or in connection with: (i) Customer's use of ATM's products or services in connection with the Work, (ii) Customer's use of

information or materials provided to Customer by ATM, or (iii) infringement a third party's Intellectual Property Rights or any other rights resulting from Customer's adherence to ATM's written instructions.

12.4 Each party will indemnify and hold the other party harmless from and against any and all Claims, as incurred, arising out of any negligent or willful acts or omissions of the Indemnifying Party which results in personal injury (including death) or damage to tangible property (not including lost or damaged data).

12.5 The Indemnified Party will provide the Indemnifying Party with prompt written notice of the Claim and permit the Indemnifying Party to control the defense, settlement, adjustment, or compromise of any Claim. The Indemnified Party may employ counsel at its own expense to assist it with respect to any Claim. The Indemnified Party will have no authority to settle any Claim on the Indemnified Party's behalf.

12.6 If a third party enjoins or interferes with ATM's use of any Work, then in addition to Customer's obligations under Section 12.2, Customer will use its best efforts to (i) obtain any licenses necessary to permit ATM to continue to use the Work, (ii) replace or modify the Work as necessary to permit ATM to continue to use of the Work, or if (i) and (ii) are not commercially reasonable, then (iii) promptly refund to ATM the amount paid for any Work for which a third party enjoins or interferes with ATM's use of the Work.

12.7 Nothing in this Section shall limit any other remedy of the parties.

13. LIABILITY

13.1 NOTWITHSTANDING ANYTHING ELSE IN THE PURCHASE ORDER OR OTHERWISE, ATM WILL NOT BE LIABLE TO CUSTOMER WITH RESPECT TO THE SUBJECT MATTER OF THE PURCHASE ORDER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY AMOUNTS IN EXCESS IN THE AMOUNT ATM PAID TO CUSTOMER IN THE SIX MONTHS PRECEDING THE EVENT OR CIRCUMSTANCE GIVING RISE TO SUCH LIABILITY.

13.2 IN NO EVENT WILL ATM BE LIABLE TO CUSTOMER FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS ARISING OUT OF, OR IN CONNECTION WITH, THE PURCHASE ORDER, WHETHER OR NOT ATM WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

13.3 THE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED HEREIN. NOTHING IN THE PURCHASE ORDER LIMITS EITHER PARTY'S LIABILITY FOR BODILY INJURY OF A PERSON, DEATH, OR PHYSICAL DAMAGE TO PROPERTY OR ANY LIABILITY WHICH CANNOT BE EXCLUDED UNDER APPLICABLE LAW.

14. INSURANCE

Customer will secure and maintain insurance providing coverage for liabilities to third parties for bodily injury (personal injury) and damage to property in amounts sufficient to protect ATM in the event of such injury or damage and will be in compliance with any and all laws, regulations, or orders addressing the liabilities of an employer to its employees for injuries and disease suffered in connection with employment. Customer further will maintain such additional types and limits of insurance as is customary for a company of similar size and similar operations to Customer in the jurisdiction or jurisdictions in which Customer's operations take place.

15. COMPLIANCE WITH LAWS

Customer represents and warrants that it will comply with all applicable local and national laws and regulations pertaining to its performance of its obligations under this Purchase Order. In particular and without limitation, Customer shall not act in any fashion or take any action that will render ATM liable for a violation of any applicable anti-bribery legislation (including without limitation, the U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010), which prohibits the offering, giving, or promising to offer or give, or receiving, directly or indirectly, money or anything of value to any third party to assist it or ATM in retaining or obtaining business or in performing the Work. Without limiting the foregoing, to the extent that Customer is a US federal contractor or covered subcontractor as contemplated in accordance with the applicable laws and regulations, then Customer agrees that this Purchase Order will be subject to the requirements of 41 CFR 60-1.4 and 29 CFR part 471, Appendix A to Subpart A, and the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a), which are incorporated herein by reference. The latter two regulations prohibit discrimination against qualified individuals on the basis of protected veteran status and disability and require affirmative action to employ and advance in employment protected veterans and qualified individuals with disabilities. Customer's failure to comply with this provision shall constitute a material breach of this Purchase Order.

ATM is committed to being or becoming Democratic Republic of the Congo ("DRC") conflict free in the procurement of certain materials used in its products. ATM has reporting obligations through its publicly traded parent company to disclose whether products it manufactures contain certain "conflict minerals" (cassiterite, wolframite, columbite-tantalite, gold or derivatives) originating from the DRC or an adjoining country. Customer agrees to adopt and implement policies, due diligence frame Works, and management systems to ensure that minerals used in any goods supplied to Buyer are conflict-free. Additionally, Customer agrees to timely provide, upon ATM's request and in a requested format, certain data concerning its supply chain that may be needed for applicable reporting obligations.

16. GOVERNING LAW

The Purchase Order will be construed in accordance with, and all disputes will be governed by, the laws of the State of Delaware, without regard to its conflict of laws rules. The parties specifically waive application of the UN Convention on Contracts for the International Sale of Goods. Customer irrevocably consents to the personal jurisdiction of the state and federal courts in and for, and irrevocably waives any claim it may have that any proceedings brought in such courts have been brought in an inconvenient forum.

17. GENERAL

17.1 Any notice to be given under the Purchase Order will be in writing and addressed to the party at the address stated in the front of the Purchase Order. Notices will be deemed given and effective (i) if personally delivered, upon delivery; (ii) if sent by an overnight service with tracking capabilities, upon receipt; (iii) if sent by fax or electronic mail, at such time as the party which sent the notice receives confirmation of receipt by the applicable method of transmittal; or (iv) if sent by certified or registered mail, within five days of deposit in the mail.

17.2 If there is a conflict between or among the Purchase Order and any documents attached to and incorporated by reference, the conflict will be resolved as follows:

17.2.1 A conflict between the terms of the Purchase Order and those set forth in an exhibit or hyperlink will be resolved in favor of the Purchase Order.

17.2.2 A conflict between the terms of the Purchase Order and those set forth in an SOW will be resolved in favor of the SOW.

17.2.3 A conflict between the terms of an exhibit or hyperlink and those set forth in an SOW will be resolved in favor of the SOW.

17.3 If any court of competent jurisdiction holds that any provision of the Purchase Order is illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining provisions of the Purchase Order will not be affected or impaired, and all remaining terms of this Purchase Order remain in full force and effect, provided that this provision shall not be applied to defeat the intent of the parties.

17.4 A party's election not to insist on strict performance of any requirement of the Purchase Order will not operate or be construed to waive any future omission or breach, or any other provision of the Purchase Order.