24.May.2018

General Terms and Conditions of Purchase

FORMATION OF CONTRACT. These terms and conditions apply to all contracts for the purchase from Vendor of Goods or Services identified on the Purchase Order ("P.O.") of Nu-Tech Precision Metals Inc. ("Nu-Tech"), to the exclusion of all other terms and conditions including any terms or conditions Vendor purports to apply under any other document. All acknowledgements of Vendor shall be deemed Vendor’s acceptance of Nu-Tech’s P.O. on these terms and conditions. Vendor’s commencement of work on the Goods/Services shall be deemed conclusive evidence of Vendor’s acceptance of these terms and conditions. If any Special Terms (identified on P.O.) are inconsistent with any provisions hereof, the Special Terms shall prevail.

SPECIFICATIONS. Vendor represents and warrants that the Goods supplied will be manufactured, tested and stored in strict accordance with all specifications, drawings or samples. Nu-Tech may make changes in the specifications, and if any such changes would affect the Price or delivery date, Vendor shall immediately contact Nu-Tech to negotiate appropriate adjustments. Vendor shall certify compliance with all specifications by issuing a Certificate of Compliance to Nu-Tech with delivery of the Goods.

Where said product is a repeat purchase, the Vendor is required to notify Nu-Tech of any changes made to the product itself or the process used to manufacture the product. Where Nu-Tech has previously approved a product for use or has required a Process Flow Outline be submitted for the product, the Vendor is required to seek Nu-Tech’s reapproval of the product or process before accepting the Purchase Order.

REPRESENTATIONS. Vendor represents and warrants that the Goods/Services supplied are of the very best quality, free from all defects in material and workmanship, merchantable and fit for the purposes for which Nu-Tech intends to use them. The Goods shall be marked in accordance with Nu-Tech’s specifications and all lawful requirements, and properly packaged and secured for delivery to Nu-Tech in undamaged condition. All representatives and warranties made by Vendor, its agents, employees, consultants or advisers (whether orally, in writing, or in any of Vendor’s brochures, catalogues or advertisements) regarding the description, condition, quality, suitability or fitness for purpose of the Goods/Services shall be deemed to be express conditions of the contract between Vendor and Nu-Tech.

NON CONFORMING PRODUCT. Nu-Tech requires that the Vendor inspect the Goods prior to shipment and report any non-conformances to Nu-Tech prior to shipment. The Vendor will contact Nu-Tech’s Purchasing Agent who will complete a Vendor Non Conforming Report (NCR) for the product.

The product may only be shipped upon approval of the NCR and notification from the Purchasing Agent.

CANCELLATION/RESCHEDULING. Vendor may not cancel or reschedule any P.O. except by Nu-Tech’s written consent, which may be withheld in Nu-Tech’s sole discretion. Vendor shall indemnify and hold harmless Nu-Tech against all loss (including loss of profit), costs, damages, charges and expenses incurred by Nu-Tech as a result of such cancellation or rescheduling. Nu-Tech may cancel all or part of its P.O. at any time by sending a cancellation notice to Vendor and reimbursing Vendor for its actual and unavoidable costs to that date for work cancelled; provided, that upon receipt of Nu-Tech’s cancellation notice Vendor shall immediately act so that no further costs are incurred, except where unavoidable. Failure by Nu-Tech to take delivery or make payment in respect of any installment of Goods shall not entitle Vendor to treat the whole contract as repudiated by Nu-Tech.

PRICE: The Price of Goods/Services is indicated on the P.O. and shall be payable in the currency thereon specified. Unless indicated on the P.O., Prices exclude tax, tariff or similar charges, for which Nu-Tech shall reimburse Vendor. All taxes included in invoices shall be stated separately, or will not be payable by Nu-Tech. Nu-Tech shall not pay for crating or other packaging or for transportation except by express written agreement. If freight is pre-paid and added to the invoice, a verified copy of freight bills must accompany the invoice. Nu-Tech may withhold payment of any invoiced amounts for a disputed claim or an alleged breach of the contract, and may set off against any amount purported to be owing to Vendor any amount owing by Vendor to Nu-Tech.
PAYMENT TERMS. Vendor shall not invoice Nu-Tech for the Price prior to delivery of Goods or completion of Services. Where delivery is made by installments, Nu-Tech is not obligated to pay for each installment separately, but may pay for all installments after delivery of the final. If payment is not timely made, Vendor may charge interest on overdue amounts at a rate one and one-half percent (1.5%) per month until Vendor’s receipt of all amounts due.

DELIVERY. Except as otherwise stated in writing, the Goods shall be delivered at Nu-Tech’s premises on the delivery date during normal business hours. Time for delivery is of the essence of the contract. Vendor may not deliver early, reschedule delivery or vary the quantity of Goods without Nu-Tech’s prior written consent. Vendor shall furnish schedules of manufacture and delivery as Nu-Tech reasonably requests and shall immediately notify Nu-Tech if such schedules will be delayed. Delivery shall not be deemed made until Goods/Services are received and accepted by Nu-Tech. Vendor shall repair or replace free of charge all Goods damaged or lost in transit, and delivery shall not be deemed made until all replaced/repaired Goods have been received and accepted by Nu-Tech. P.O. numbers shall be printed or legibly written by Vendor on all Goods delivered.

REMEDIES. If Vendor fails to deliver all of the Goods in accordance herewith, delivers defective Goods, becomes insolvent, enters into any arrangement with its creditors, resolves to wind up voluntarily, files or is subject to any petition or order for its winding up or for an administrator or receiver to be appointed, suspends payment of its debts in whole or in part or otherwise breaches the contract, without prejudice to its other rights and remedies Nu-Tech may exercise any of the following remedies at any time by written notice to Vendor:

Nu-Tech may terminate the contract in whole or in part or suspend further purchases thereunder and may request a refund of all or a portion of the Price. Vendor shall promptly collect any rejected, delivered Goods, or Nu-Tech may return rejected Goods to Vendor at Vendor’s risk and expense. Unless Vendor collects rejected Goods within a reasonable time of receipt of Nu-Tech’s notice of rejection, Nu-Tech may dispose of such Goods as it deems fit (provided, that if Nu-Tech sells such Goods it shall account to Vendor for the net proceeds of sale);

Nu-Tech may procure or require Vendor promptly to deliver the quantity and quality of Goods required, and Vendor shall pay for all excess costs of procuring such Goods; and Vendor shall promptly repair or replace all Goods which do not conform to specifications or which are or become defective during the twelve-month period commencing with delivery of the Goods to Nu-Tech where such defects are due to any breach of Vendor’s express or implied warranties under the contract. These obligations shall also apply to all repaired or replaced Goods themselves and are not affected by Nu-Tech’s prior acceptance of Goods or it’s making of payment.

IDEMNITY: INSURANCE. Vendor will indemnify Nu-Tech from all costs, damages, liabilities, expenses, claims, lawsuits and damages arising from all claims by Nu-Tech or its customers, directly or indirectly, out of any breach whatsoever by Vendor of the contract. Vendor shall reimburse Nu-Tech all expenses reasonably incurred in exercising its rights hereunder. Vendor will furnish evidence to Nu-Tech that Vendor carries such insurance and an endorsement shall be attached to the policies providing that Nu-Tech shall be informed at least 30 days prior to termination of or change in any policy.

COMPLIANCE WITH LAW. Vendor warrants compliance with all applicable federal, state and local laws, rules, regulations, and orders now in effect or which may become effective during the period of this contract. Vendor shall, upon request, furnish to Nu-Tech a certificate warranting compliance with any applicable law.

RISK AND TITLE. Risk and title in the Goods shall pass to Nu-Tech upon Nu-Tech’s acceptance of the Goods in accordance herewith.

INSPECTION/ACCEPTANCE. Nu-Tech may inspect and test the Goods during their manufacture and processing. If Nu-Tech is not reasonably satisfied that the Goods or their manufacture or processing comply in all material respects with the terms of the contract, Vendor shall take all steps necessary to ensure due compliance (at no extra cost to Nu-Tech).

When required, Nu-Tech, Nu-Tech’s customers and/or Regulatory Officials shall be granted access to the Vendor’s organization for the purposes of verifying product and or process conformance.

ASSIGNMENT. Neither this contract nor any interest herein nor claim hereunder shall be assigned or transferred by Vendor, except as expressly authorized in writing by Nu-Tech. Nu-Tech may in its sole discretion assign this order or any claim or interest herein without the consent of Vendor.
INTELLECTUAL PROPERTY. No right or license is granted to Vendor in respect of any patent, trade mark, copyright, registered design or other intellectual property right ("IP Right"). Vendor warrants that the Goods and Services do not infringe any IP Right of any person. Where any designs or specifications of any Goods have been provided by Nu-Tech, all IP Rights therein shall remain Nu-Tech’s sole property. As soon as practicable after delivery of Goods, Vendor shall deliver to Nu-Tech legible copies of all drawings, diagrams, layouts, schedules, parts and operating and maintenance instructions ("Records") as Nu-Tech may request. Nu-Tech shall have an unlimited, exclusive license to use all Records for its purposes. Vendor is responsible for all errors or omissions in the Records, except for such errors or omissions as are due to inaccurate information supplied in writing by Nu-Tech.

FORCE MAJEURE. Neither Party shall be liable for any delay, loss or damage caused wholly or in part by reason of any event, accident or omission outside its control that prevents or substantially hinders it from wholly or partly performing its obligations hereunder, including, without limitation: any act of God, explosion, flood, tempest, fire or accident; war or threat of war, sabotage, insurrection, civil disturbance or requisition; acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any national or local government or parliamentary authority; import or export restrictions, regulations or embargoes; strikes, lock-outs, or other industrial actions or trade disputes (whether involving employees of a Party or of a third party); difficulties in obtaining materials, labor, fuel, parts or machinery, power failure or breakdown of machinery; or failure by the other Party to carry out its obligations hereunder.

MATERIALS ISSUED BY NU-TECH. Where Nu-Tech issues material to Vendor or reimburses Vendor for the cost of material, such material shall remain Nu-Tech property, and Vendor shall maintain all such material in good order and condition, subject to reasonable wear and tear with respect only to tooling and patterns. Vendor shall use such materials only for Nu-Tech’s work. Nu-Tech may direct the disposal of any surplus of such materials. Vendor shall reimburse Nu-Tech for waste of such material resulting from its poor workmanship or negligence.

CONFIDENTIAL INFORMATION. “Confidential Information” means all confidential or proprietary information of Nu-Tech, whether written or oral and whether or not so marked, furnished to Vendor in connection herewith, including, without limitation, all technical or commercial information in the form of requirements, specifications or processes, and all Records. For a period of ten (10) years from the date of receipt of Confidential Information, without the prior written consent of Nu-Tech and except as may be required by law, Vendor shall hold in strict confidence and not disclose any Confidential Information received by it, except to representatives of Vendor who require such information for the contract and who agree to comply with the confidentiality requirements hereof.

GENERAL. Nu-Tech’s products are often used in critical applications. The vendor shall communicate and ensure all persons are aware of:

- Their contribution to product or service conformity;
- Their contribution to product safety and
- The importance of ethical behavior

All notices must be in writing and delivered by hand or pre-paid post to the addressee at its address as identified on the P.O.

No waiver by Nu-Tech of any breach of the contract by Vendor shall be deemed a waiver of any subsequent breach of the same or any other provision.

The contract is between Nu-Tech and Vendor as principals and is not assignable or capable of sub-contracting without the prior written agreement of Nu-Tech. Where portions of the scope of work are subcontracted, all of the Terms and Conditions herein and Purchase Order requirements shall be passed on to subcontractors.

If any provision of the contract or any P.O. is held by any court or authority of competent jurisdiction to be invalid or unenforceable in whole or in part, the validity of other provisions of the contract or P.O. and the remainder of the provisions in question shall not be affected.

The contract shall be governed by and constructed in accordance with the laws of the Province of Ontario, Canada, and any dispute arising between Nu-Tech and Vendor shall be subject to the exclusive jurisdiction of the Courts in Ontario, Canada.

No amendment to or departure from these terms and conditions shall be permitted except by a specific written confirmation signed by Nu-Tech. Vendor shall immediately advise Nu-Tech if any variation to these terms and conditions prevents any specified delivery date from being met or has any other adverse effect on Vendor’s ability to perform the contract.

This contract is subject to, and Vendor’s performance of all work required hereby shall be done in a manner that is in compliance with, all applicable laws, including all requirements which Nu-Tech is obligated to include in its agreement with Vendor either by law or by other contractual requirement.
Work shall not be supplied in excess of quantities described in the Purchase Order. The Seller shall be liable for handling charges and return shipping costs for any excess quantities.

All data supplied with the shipment shall be in the English language.

**OBLIGATION TO DISCLOSE NONCONFORMANCES.** Nu-Tech Precision Metals requires that all suppliers notify Nu-Tech Purchasing Agent should they become aware of non conforming product at any point prior to shipping the good to Nu-Tech or at any time subsequent to shipment. Nu-Tech’s Purchasing Agent will advise the supplier of the method, if required, for obtaining a disposition for the non conformance. Normally a formal, written disposition will only be required for production raw materials and services involving metal forming, machining and special processes as well as for suppliers of inspection devices and gauges. See CF-93A and PR1.

**RIGHT OF ACCESS.** Nu-Tech reserves the right to access the supplier’s manufacturing facilities for the purpose of verifying the supplier’s conformance to Purchase Order requirements.

**CONTRACT FLOW DOWN REQUIREMENTS.** Suppliers of production raw materials and services as well as inspection equipment and services are required to adhere to CF-93A or PR1 as applicable. Suppliers must maintain all records made in conjunction with the Purchase Order for a minimum period of 10 years, unless otherwise specified on the Purchase Order.

Prepared and Approved by

Debbie Raymond
Purchasing Agent