

I. DEFINITIONS

In these Terms and Conditions of Purchase:

- a. **Agreement** means an agreement between the Purchaser and Supplier for the supply of Goods or Services, which is comprised of a Purchase Order, these Terms and Conditions and any other document agreed upon and signed by both parties;
- b. **Conditions** means these Terms and Conditions of purchase, as outlined herein;
- c. **Confidential Information** means all information, drawings, specifications, or data furnished by Purchaser or prepared by Supplier specifically in connection with the performance of the Agreement; Confidential Information does not include information in the public domain;
- d. **Date for Delivery** means the date for delivery, if specified for, the Goods or performance of the Services as described in the Purchase Order;
- e. **Goods** means the goods described in the Purchase Order;
- f. **Intellectual Property** means any intellectual or industrial property right, whether protected by statute, at common law or in equity, including any patent, trade secret, copyright, trademark or other protected right;
- g. **Loss** means any loss, liability, costs, including reasonable attorneys' fees, or other expenses incurred by the Purchaser related to the Supplier's breach of the Agreement;
- h. **Price** means the price payable by the Purchaser to the Supplier as described in the Purchase Order;
- i. **Purchase Order** means the Purchaser's order accompanying these Conditions or otherwise placed or communicated with the Supplier and includes these Terms and Conditions;
- j. **Purchaser** means American Metals, Inc.;
- k. **Representative** of a party means that party's director, officer, employee, agent, or subcontractor;
- l. **Services** means the services described in the Purchase Order;
- m. **Supplier** means the individual or entity who sells the Goods or provides the Services as described in the Purchase Order.

II. AGREEMENT

2.1 Acceptance of Purchase Order

Acceptance of a Purchase Order by the Supplier will occur on the earlier of the Supplier's written acceptance being received by the Purchaser; or two (2) business days after the executed Purchase Order is sent by the Purchaser to the Supplier. When warranted the Supplier agrees to flow down all applicable Purchase Order requirements unto sub-tiers.

2.2 Consideration

The supplier agrees to supply the Goods and Services to the Purchaser in accordance with the Agreement and the Purchaser agrees to pay the Price to the Supplier.

2.3 Payment Terms

Payment for Goods and Services supplied by the Supplier to the Purchaser will be tendered within a period of time as agreed upon by the parties in a writing signed by both parties. In the event that no separate writing detailing the time period of payment for Goods and Services is executed by the parties, payment will be tendered by the Purchaser 45 days from receipt by the Purchaser of a correctly rendered invoice, or within 45 days of acceptance of the Goods by the Purchaser, whichever is the later.

2.4 Relationship

The Supplier is an independent contractor of the Purchaser. These Terms and Conditions do not create a partnership, joint venture, or any other collaborative relationship. Nothing in these Terms and Conditions shall be construed to constitute any other type of relationship between the parties.

2.5 Ethics Statement

American Metals Inc. values relationships that are grounded in shared commitment to performing in accordance with the highest standards of professional business conduct and encourages all suppliers to implement and effective program, including adopting a written code of conduct.

III. ACCEPTANCE

3.1 Delivery of Goods

The Goods must be received on the Date for Delivery and at the destination specified in the Purchase Order. If the Supplier fails to meet any such delivery date, the Purchaser may, without limiting its other rights and remedies, cancel all or part of the Purchase Order. If the Purchaser has paid a deposit, the Supplier must refund the deposit in full to the Purchaser.

3.2 Performance of Services

The Supplier must ensure that the Services are performed at the specified location on the Date for Delivery. The Supplier may propose, in writing, a different date for delivery; however, the Purchaser, in its absolute discretion, may reject such proposal. In the event that the Purchaser rejects a proposal by the Supplier for a different date for delivery, the original agreed upon date for delivery remains in effect.

3.3 Inspection

All facilities which will or may be used in the performance of the Agreement, and all supplies or deliverable items, including without limitation all raw and in-process materials, components, intermediate assemblies and end items, shall be subject to inspection and test by Purchaser and its customers, to the extent practicable, at any and all times and places, including the period of manufacture, and in any event, prior to final acceptance by Purchaser and its customer. In the event a nonconforming process or product is found, Purchaser will notify Supplier immediately to determine disposition.

If any inspection or test is made on the premises of Supplier or its subcontractors, Supplier, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspection and tests on the premises of Supplier or its subcontractor shall be performed in such a manner as not to unduly delay the work. Purchaser may charge Supplier any additional costs incurred where an inspection or test is delayed through the fault of Supplier, or where re-inspection or re-test is necessary due to prior rejection by Purchaser.

Failure of Purchaser or its customers to inspect or test Goods or Services supplied pursuant to the Agreement shall not relieve Supplier from any obligations imposed by the Agreement, nor impose any liabilities on Purchaser or its customers.

Supplier shall provide and maintain an inspection and process control system acceptable to Purchaser and its customers covering the Goods and Services contemplated by the Agreement. Records of all inspection work by Supplier shall be kept complete and available to Purchaser and its customers during the performance of the Agreement and for such longer periods as may be specified by the Agreement. Supplier shall notify Purchaser if any changes to processes, products or services occur and obtain approval prior.

3.4 Date of Acceptance

Acceptance of the Goods by the Purchaser will occur on the date upon which the Purchaser notifies the Supplier in writing of acceptance.

3.5 Rejection of Goods or Services

The Purchaser may, within a reasonable period of time after delivery of the Goods or performance of the Services, reject any Goods or Services which do not comply strictly with the Agreement. Title to rejected Goods immediately re-vests in the Supplier upon written communication of rejection to the Supplier by the Purchaser. The Supplier is liable for all Loss incurred by the Purchaser due to the rejection of Goods. The Supplier must, at its cost, remove from the rejected Goods any of the Purchaser's Intellectual Property or any other distinguishing features, such as names or symbols.

3.6 No Waiver

The Purchaser's acceptance of non-conforming Goods does not constitute a waiver of any right or remedy available to the Purchaser for the Supplier's breach of the Agreement by providing non-conforming Goods or Services.

3.7 Title

Title to the Goods passes to the Purchaser upon delivery of the Goods by the Supplier; however, title to rejected Goods immediately re-vests in the Supplier upon written communication of rejection to the Supplier by the Purchaser.

3.8 Risk of Loss

The Supplier bears the risk of loss for any Goods supplied pursuant to this Agreement until final acceptance by the Purchaser in accordance with the terms of these Conditions.

IV. SUPPLIER WARRANTIES

4.1 Warranties relating to Goods

The Supplier warrants that the Goods

- a. are safe and free from risk to health and safety and compliant with all applicable laws;
- b. are and will remain free from any third party liens, encumbrances or interests;
- c. are free from all defects or faults in material and workmanship;
- d. with regard to Goods designed by Supplier, free from defects in design;
- e. are of acceptable quality;
- f. are clearly and durably labelled identifying the Goods and include any appropriate and correct warnings and instructions;
- g. are fit for the purpose for which purchased, as communicated by the Purchaser before execution of the Purchase Order, or as should be reasonably understood by the Supplier of the Goods who is experienced in such technical and specific matters relating to the Goods and the purpose they are intended for;
- h. match the description and the Specifications referred to in the Purchase Order;
- i. comply with all applicable specifications, including the Specifications, drawings and performance requirements; and
- j. include any applicable Supplier's warranty that passes to a third party purchaser from the Purchaser, without liability to the Purchaser.

4.2 Warranties relating to Services

The Supplier warrants that the Services are provided with due care and skill, with the same or a higher level of care and skill as would reasonably be expected of a person qualified and experienced in the supply of the same or similar Services, taking all necessary care to avoid Loss or damage. The Supplier warrants that all Services are suitable for the purposes intended, whether expressed or reasonably implied and in compliance with all applicable specifications, drawings and performance requirements.

4.3 Duration of Warranty

If any nonconformity related to the warranties described in this Section VI, or any other breach of warranty by Supplier, appears within one (1) year after final acceptance of the Goods or Services, the Supplier shall promptly and properly correct such nonconformity or breach at no cost to the Purchaser.

V. PURCHASER'S PROPERTY

All drawings, Specifications, artwork, data, material, supplies, equipment, tooling, dies, molds, fixtures and patterns furnished or paid for by the Purchaser are the Purchaser's exclusive property and shall be used by the Supplier only in performance of the Purchase Order. Such property, and whenever practical, each individual item thereof, shall be plainly marked or otherwise adequately identified by Supplier as "Property of American Metals, Inc." and be safely store separate and apart from Supplier's property. Seller shall not substitute any property for

Purchaser's property and shall not use such property except in filling Purchaser's orders, without the prior written consent of Purchaser. Such property while in Supplier's custody or control shall be held as Supplier's risk and shall be insured by Supplier, at Supplier's expense, in an amount equal to the replacement cost, with loss payable to Purchaser. Purchaser's property shall be subject to inspection and removal upon written request to Supplier. Upon written request for removal, Supplier shall prepare Purchaser's property for shipment and have it delivered to Purchaser in the same condition as originally received by Supplier, normal wear and tear accepted.

VI. CONFIDENTIALITY

The Supplier must ensure that its Representatives safeguard and protect all Confidential Information provided by the Purchaser pursuant to the Agreement. Any Confidential Information provided by the Purchaser pursuant to this Agreement remains the property of the Purchaser and the Supplier shall not disclose any Confidential Information to any contractor, subcontractor or other third party without the prior written consent of the Purchaser. In the event that the Supplier is required to disclose any Confidential Information to comply with a valid State or Federal law or valid Order by a Court of competent jurisdiction, the Supplier shall give the Purchaser reasonable prior written notice to permit the Purchaser to challenge or limit any such legally required disclosure.

Except as required for the efficient performance of the agreement, Supplier shall not make copies or permit copies to be made of the Confidential Information without the prior written consent of Purchaser. Upon completion or termination of the Agreement, Purchaser may require Supplier to destroy all Confidential Information exchanged pursuant to the Agreement and certify in writing to Purchaser that all Confidential Information was destroyed; or return all Confidential Information to Purchaser.

Supplier shall not, without prior written consent of the Purchaser, advertise or otherwise disclose to third parties anything concerning the Agreement or the business relationship between the Supplier and the Purchaser.

VII. INDEMNIFICATION

The Supplier indemnifies the Purchaser, its affiliated companies, and their Representatives, successors and assigns and holds them harmless from and against any and all claims, suits, actions, liabilities, Loss, judgments or damages, whether ordinary, special or consequential, arising directly or indirectly from or in connection with:

- a. the acts, negligence, omissions or willful misconduct of the Supplier;
- b. the Goods or Services supplied;
- c. a breach of any of the Supplier's warranties or any other term of the Agreement;
- d. the Supplier's negligent, unauthorized or wrongful acts or omissions with regard to the use or installation of hazardous materials;
- e. a claim that any Goods or Services supplied to the Purchaser infringe upon or misappropriate the Intellectual Property Rights of others; or
- f. a claim of any lien, security interest or other encumbrance made by a third party.

VIII. TERMINATION

8.1 Termination without Cause

The Purchaser may, at any time, terminate the Purchase Order, in whole or in part, without cause by providing written notice to the Supplier. Termination is effective upon receipt of the written notice by the Supplier. Following receipt of such notice by the Supplier, the Supplier shall, to the extent specified by the Purchaser, stop all work on the Purchase Order, and cause its suppliers and subcontractors to stop work on the Purchase Order.

Costs for termination of the Purchase Order without cause by the Purchaser will be limited to actual non-recoverable costs incurred by the Supplier which the Supplier can demonstrate were properly incurred prior to the date of termination.

8.2 Termination with Cause

The Purchaser may terminate the Purchase Order immediately, in whole or in part, if the Supplier:

- a. fails to make delivery of the Goods or perform the Services within the time specified, or other mutually agreed upon time, in the Purchase Order;
- b. fails to replace non-conforming Goods or Services in accordance with these Terms and Conditions;
- c. fails to perform any other term specified in the Agreement; or
- d. becomes insolvent, files or has filed a petition for bankruptcy, or makes an assignment for the benefit of creditors.

IX. REMEDIES

If any of the Goods or Services provided by the Supplier pursuant to the Agreement are found at any time to be defective in material or workmanship, or otherwise not in conformity with the requirements of the Agreement, Purchaser, in addition to any other rights which it may have under warranties or otherwise, may at its option correct or have corrected the non-conformity at the Supplier's expense, or reject and return such Goods or Services at Supplier's expense. After rejection, such Goods or Services shall not be tendered for acceptance unless the former rejection or requirement of correction is disclosed.

If the Supplier does not promptly repair or replace the non-conforming Goods or Services, the Purchaser may contract for the replacement or correction of such Goods or Services and charge to the Supplier the additional cost for such repair or replacement; or terminate the Agreement for default. In any event, the Supplier is liable to the Purchaser for all costs incurred by Purchaser for Supplier's breach of the Agreement, including, but not limited to expectation damages, consequential damages, punitive damages, and reasonable attorney's fees.

The Purchaser's remedies under the Agreement are cumulative and in addition to any other rights available at law or in equity.

X. INSURANCE

During the term of the Agreement, the Supplier shall maintain certain policies of insurance with policy limits acceptable to the Purchaser, including a commercial general liability policy, a workers' compensation insurance policy and a policy insuring the Goods for their full replacement cost. Upon request by Purchaser, Supplier shall provide to Purchaser certificates of insurance evidencing compliance with this provision.

XI. MISCELLANEOUS

11.1 Entire Agreement

The Purchase Order and these Conditions constitute the entire agreement of the parties. None of the terms and conditions contained in the Agreement may be added to, modified, superseded or otherwise altered, except by a written instrument signed by an authorized representative of the Purchaser and delivered by the Purchaser to the Supplier. Each shipment received by the Purchaser from the Supplier shall be deemed to be only upon the terms and conditions contained in the Agreement, except as they may be added to, modified, canceled or otherwise altered in accordance with this provision. All supplemental sheets, schedules, exhibits, specifications, drawings, data or riders which are referenced in the Purchase Order or these Conditions are hereby incorporated into and made a part of the Agreement. The Supplier acknowledges that it has available to it all specifications, drawings and data incorporated into the Agreement and that such information is adequate to enable the Supplier to perform the work called for in the Agreement in accordance with the delivery schedule

THE PURCHASER OBJECTS TO ALL TERMS AND CONDITIONS OF THE SUPPLIER CONTAINED IN ANY ACKNOWLEDGMENT, INVOICE, OR OTHER FORM ISSUED BY THE SUPPLIER. THE PURCHASER NOTIFES THE SUPPLIER THAT ANY TERMS AND CONDITIONS CONTAINED IN SUCH DOCUMENTS ARE EXPRESSLY REJECTED AND SUPERCEDED BY THESE TERMS AND CONDITIONS.

11.2 Interpretation

In the interpretation of these Conditions, unless the context or subject matter otherwise requires:

- a. the singular includes plural and vice versa;
- b. a reference to a party includes that party's executors, administrators, substitutes, successors and permitted assigns.
- c. if a party consists of more than one person, the Agreement binds each of them separately and any two or more of them jointly;
- d. an obligation, representation or warranty in favor of more than one person is for the benefit of them separately and jointly;
- e. the topic headings and subheadings preceding the text of this Agreement are inserted solely for the convenience of the parties and do not constitute a part of this Agreement, nor do these headings and subheadings affect the meaning, construction or effect of this Agreement; and
- f. time is of the essence in respect of all of the Supplier's obligations to the Purchaser.

11.3 Review

These Conditions are subject to periodic review and revision by the Purchaser.

11.4 Non-Waiver

Failure of Purchaser to insist upon strict performance of any provision of the Agreement shall not be deemed a waiver of any rights or remedies the Purchaser shall have and shall not be deemed a waiver of any subsequent default. No claim or right arising out of a breach of the Agreement can be waived, discharged or renounced in whole or in part unless such waiver, discharge or renunciation is in writing, supported by consideration and signed by the non-breaching party. The Purchaser's rights and remedies under the Agreement are cumulative and in addition to any other rights available at law or in equity.

11.5 Non-Assignment

No right or interest in the Agreement shall be assigned by Supplier without the prior written permission of Purchaser and no delegation of any obligation owed, nor of the performance of any obligation, by Supplier shall be made without the prior written permission of Purchaser. Any unauthorized assignment or delegation shall be void and ineffective for all purposes.

11.6 Severability

If any provision of the Agreement is found to be legally invalid or unenforceable for any reason, all remaining provisions of the Agreement shall remain in full force and effect.

11.7 Governing Law

The Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

11.8 Notification Requirements for Federal Contractors and Subcontractors

Supplier shall post all notices applicable to Supplier as required by all local, state and federal laws and regulations, including without limitation all Executive Orders.