ADVANCED THERMAL CORP TERMS AND CONDITIONS OF PURCHASE

(Applicable to All Purchase Orders)

THIS AGREEMENT CONTAINS PROVISIONS RELATING TO INDEMNITY, RELEASE, LIMITATION OF LIABILITY AND ALLOCATION OF RISK FOR PURCHASES MADE BY ADVANCED THERMAL CORP AN KNOWN AS "ATC". IN THIS AGREEMENT,.

- 1. <u>General</u>: Prompt acceptance of this Purchase Order for Material and/or Services ("Order") is requested but, in any event, any delivery hereunder shall constitute an acceptance of the Order pursuant to these terms and conditions ("Conditions"). Acceptance of this Order is expressly limited to these Conditions, and any additional or different terms of Supplier are hereby rejected.
- 2. Warranty/Guarantee: Supplier represents, warrants and guarantees that all materials, equipment, supplies or goods delivered hereunder (collectively, the "Material") (a) are merchantable and will pass without objection under industry standards and are and fit for the purpose of which they are normally used, (b) are new and conform to the description specified or to any specifications, drawings, designed or technical data previously specified, (c) are free of all defects in material, quality or workmanship, (d) are free of any liens or encumbrances, other adverse claims of ownership and claims of infringement on intellectual property rights, (f) are in conformity with all applicable local, state and federal laws, rules and regulations affecting the sale, purchase, manufacture, processing and delivery of the Materials. If the Material or any of their contents are subject to laws governing safety or hazardous substances, Supplier represents and warrants that it has disclosed such considerations to ATC. If the Order calls for installation, maintenance or other services, all such Services are warranted to be performed in a good and workmanlike manner and in compliance with the highest industry standards and all applicable codes. All warranties extend for a period of no less than four (4) years from delivery date or any completion by Supplier (or its contractors) and shall inure to the benefit of ATC's assigns, successors and customers; provided that the warranties concerning liens, encumbrances, ownership and intellectual property rights shall extend for any period of time during which any such rights may be enforced.
- 3. <u>Pricing</u>: Prices shall be as specified in order or where contract pricing for specific products has been established via exhibit A, such pricing shall be in effect for the duration of this contract or validity period of pricing on this contract.
- 4. Payment Terms: Payment terms are net thirty (30) days from receipt of valid and properly prepared invoice.

5. Invoicing:

- a. <u>Submission</u>: Supplier shall submit invoices in a timely manner on or after date of shipment, with separate invoices for every separate shipment, through ATC digital procurement systems (Currently Coupa) or via the invoicing instructions provided on the Purchase Order.
- b. <u>Additional charges</u>: No extra charges of any kind from original purchase order will be allowed unless prior written consent of ATC procurement is obtained, and revised purchase order is issued.
- c. <u>Delays</u>: Delays in receiving invoices, errors, or omissions shall be considered just cause for withholding payment without loss of cash or time discount privileges. ATC shall not be obligated to pay invoices submitted more than 45 days after receipt of goods or completion of services and 30 days from the closure of a project.
- d. <u>Disputes</u>: In the event of a disputed invoice amount, ATC may withhold all payment on the invoice until the dispute is resolved.
- 6. No Purchase Order, No Payment: To be paid for services or goods rendered or received Supplier needs to have an approved purchase order prior to shipment. ATC will not accept any liability for goods or services rendered without a purchase order and supplied in violation of ATC policies. It is the responsibility of the supplier to obtain a written and approved Purchase Order, before supplying any goods or services to ATC. Failure to comply will result in no payment for the service or goods rendered/delivered. Supplier further

understands that without a written approved purchase order from ATC, they assume all risk in the event they choose to provide goods and or services to ATC, and ATC is not required to pay for such goods and or services. In the case of an emergency a requisition number and email confirming approval to ship from a Procurement Officer of ATC shall be sufficient if the value of such goods does not exceed \$1000.00 (One Thousand Dollars) in total shipment purchase value.

- 7. <u>Liens</u>: Supplier shall not permit any liens to attach to the premises or jobsite of ATC and shall promptly procure the release of any such lien and hold ATC harmless from all loss, cost, damage, or expense (including, without limitation, attorney's fees and expenses) incidental thereto. Supplier hereby authorizes ATC to withhold payments due in an amount to cover such indemnification obligations and to pay any such liens
- 8. <u>Cancellation</u>: ATC reserves the right to cancel the Order or make changes in quantities, specifications and/or delivery schedules (a) if material is not shipped as specified; (b) for causes due to any acts or demands of the United States Government, its departments or political subdivisions; (c) for causes due to fires, strikes, or any causes beyond ATC's control; or (d) if the Material or Services are not in accordance with the representations, warranties and guarantees as herein required from Supplier.
- 9. Shipments: Unless stated otherwise on the Order, all Materials purchased hereunder if delivered from Supplier's stock are purchased F.O.B. ATC's facility, Freight Prepaid and Allowed. Supplier shall use its own trucks, contract carriers and/or common carriers as agreed to by ATC. Special order or direct deliveries of Materials from the manufacturer, if other than Supplier, will be F.O.B. ATC's facility, Freight Prepaid and Charged with delivery charges on a "pass-through" basis only and not subject to any markup. There shall be no charge for packing or crating, unless noted on the face of the Order. All Material must be so packed as to secure lowest possible freight rates and must be shipped by cheapest means possible to ensure timely, safe transportation with no accompanying loss, unless otherwise noted. ATC shall be notified as soon as possible when shipments will be made and of shipments made. Drivers and other Supplier or delivery personnel are required to abide by ATC's safety regulations and rules of conduct while on ATC's property or property of a third-party on which ATC's jobsite is located, in addition to all rules and regulations imposed by law and by the jobsite owner. Supplier shall promptly notify ATC whenever it appears to Supplier that it will not be able to deliver any part of the Materials specified. ATC, in addition to any other remedies available to it, may terminate the Order without any further liability. If ATC accepts short shipments or late deliveries of Materials, such acceptance shall not constitute a waiver of any of ATC's rights and remedies.
- 10. Returns and Excess Quantities: ATC may, at its discretion, return any Materials for any reason whatsoever, if in same condition as received from Supplier, within thirty (30) days of receipt by ATC. ATC shall receive credit for the ATC's purchase price for such returned Material, without any restocking fees. ATC shall not be liable for payment for Material delivered to ATC that is in excess of quantities specified on Purchase Orders. Supplier agrees to accept for return, at its expense including transportation charges, excess Materials delivered to ATC, providing such merchandise is in same condition as received from Supplier. If Supplier refuses the return thereof, the excess Materials shall be deemed abandoned by Supplier and ATC may dispose of the same without further liability of ATC to Supplier.
- 11. <u>Assignments</u>: Neither the Agreement nor any interest or rights therein shall be assigned or transferred by Supplier without ATC's prior written approval. ATC may at any time assign the Agreement and any and all rights hereunder.
- 12. <u>Inspection</u>: ATC shall have the right to inspect all Material ordered before shipment and after arrival at any shipping destination. ATC may reject any and all Material not conforming to any applicable plan, specification or description. Such rejected Material held by ATC or by any affected third-party pending Supplier's disposition will be at Supplier's sole risk and expense.
- 13. <u>Product Alerts</u>: In order to assure the proper and safe use of Material, Supplier warrants that it shall furnish together with all Material offered all appropriate so-called "product warnings" adequate to permit such proper and safe use of the Material.

14. INDEMNITY OBLIGATIONS:

- a. ATC AGREES TO PROTECT, INDEMNIFY, HOLD HARMLESS AND DEFEND SUPPLIER, ITS OFFICERS, DIRECTORS, AND EMPLOYEES, FROM AND AGAINST ALL CLAIMS, PENALTIES, FORFEITURES, SUITS AND COSTS AND EXPENSES INCIDENT THERETO (INCLUDING COSTS OF DEFENSE, SETTLEMENT, AND REASONABLE ATTORNEY'S FEES), WHICH IT MAY HEREUNDER INCUR, BECOME RESPONSIBLE FOR, OR PAY OUT AS A RESULT OF DEATH OR BODILY INJURY TO ANY PERSON, DESTRUCTION OR DAMAGE TO ANY PROPERTY TO THE EXTENT THAT SUCH DAMAGE IS CAUSED BY ANY NEGLIGENT ACT OR WILLFUL MISCONDUCT OF ATC OR ITS EMPLOYEES.
- b. SUPPLIER AGREES TO PROTECT, INDEMNIFY, HOLD HARMLESS AND DEFEND ATC, ITS OFFICERS, DIRECTORS, AND EMPLOYEES, FROM AND AGAINST ALL CLAIMS, PENALTIES, FORFEITURES, SUITS AND COSTS AND EXPENSES INCIDENT THERETO (INCLUDING COSTS OF DEFENSE, SETTLEMENT, AND REASONABLE ATTORNEY'S FEES), WHICH IT MAY HEREUNDER INCUR, BECOME RESPONSIBLE FOR, OR PAY OUT AS A RESULT OF DEATH OR BODILY INJURY TO ANY PERSON, DESTRUCTION OR DAMAGE TO ANY PROPERTY TO THE EXTENT THAT SUCH DAMAGE IS CAUSED BY ANY NEGLIGENT ACT OR WILLFUL MISCONDUCT OF SUPPLIER OR ITS EMPLOYEES IN THE PERFORMANCE OF WORK.
- 15. PATENT INDEMNIFICATION: SUPPLIER, ITS HEIRS, SUCCESSORS, ASSIGNS AND LEGAL REPRESENTATIVES, AGREES TO DEFEND, PROTECT, AND HOLD HARMLESS ATC GROUP AND ITS CUSTOMERS AGAINST ALL CLAIMS, COSTS (INCLUDING EXPERT AND ATTORNEYS' FEES) AND LIABILITIES FOR INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER INTELLECTUAL PROPERTY RIGHT WHICH ARISES FROM THE MANUFACTURE, USE OR SALE OF THE MATERIALS FURNISHED HEREUNDER. FURTHER WHERE ATC'S USE OR OTHER BENEFIT FROM THE MATERIALS SHOULD BE ADVERSELY AFFECTED AS A RESULT OF ANY SUCH CLAIMS, SUPPLIER EXPRESSLY AGREES TO REMEDY, UPON WRITTEN DEMAND BY ATC, THE ADVERSE EFFECTS, INCLUDING ITS FURNISHING EQUIVALENT SUBSTITUTE MATERIALS OF EQUAL OR BETTER QUALITY AND/OR COMPENSATING ATC FOR ALL DAMAGES INCURRED AS A RESULT OF SUCH EFFECTS.

16. Insurance:

- a. For the duration of the Agreement and for three years following its completion or termination, Supplier shall secure and maintain in effect, at its own expense, by insurance companies rated A-VII or better by A.M. Best, at least the following insurance coverage that will fully protect both Supplier and ATC: commercial general liability (including product liability and completed operations liability) in a sum no less than \$5 million per occurrence, automobile liability with a minimum combined single limit of \$1 million per occurrence, worker's compensation in an amount no less than \$1 million per occurrence. The insurance Supplier is required to maintain under these Conditions shall: (i) name ATC and its affiliates, directors, officers, employees and agents ("ATC Parties") as additional insureds, (ii) be endorsed to provide a waiver of subrogation in favor of ATC Parties, and (iii) be primary over any other insurance available to ATC or any self-insurance program of ATC.
- b. Prior to delivery of any Materials, Supplier will provide to ATC certificate(s) of insurance evidencing that Supplier maintains insurance in accordance with the foregoing requirements. ATC shall have no obligation to examine such certificate(s) or to advise Supplier in the event the insurance is not in compliance with ATC's requirements. ATC's receipt and/or acceptance of certificate(s) not in compliance with ATC's requirements shall not be construed as a waiver of such insurance requirements, which constitute a material condition to these Conditions. Further, the insurance coverage and amounts to be maintained are not intended to and shall not in any manner limit or qualify the liabilities and obligations of Supplier.
- 17. Proprietary Rights: All drawings, designs, specifications, descriptions, technical data and other information

- ("Information") furnished to Supplier by ATC for use with the Order constitute the property and/or trade secrets of ATC. Supplier expressly covenants and agrees that it will treat the Information as strictly confidential and use the Information only to complete the Order and to return the Information upon completion or termination of the Order along with all copies or reproductions thereof. Supplier agrees that copies of the Information can be made only with ATC's prior written consent.
- 18. Compliance with Laws: Supplier warrants that no applicable laws or regulations shall be violated in the manufacture or sale of the Material or performance of the Services hereunder, and that Supplier shall comply with, and adhere to, all applicable laws and regulations which may apply to Supplier in connection with the Order. SUPPLIER SHALL DEFEND, INDEMNIFY, AND HOLD ATC GROUP HARMLESS AGAINST ANY CLAIMS IN RESPECT THEREOF. Without limitation to the generality of the foregoing, Supplier shall strictly comply with, and adhere to, all applicable laws and regulations pertaining to environment, health and safety, and to trade and export control. When the Material (or part thereof) are subject to governmental export control laws and regulations, Supplier shall provide ATC with applicable Export Commodity Classification Numbers and Harmonized Tariff Schedule Numbers per item, including certificates of manufacture in accordance with the origin rules imposed by governmental authorities.
- 19. Enforcement: No right, remedy or election hereunder or at law or in equity shall be deemed exclusive but shall, wherever possible, be cumulative with all other rights, remedies or elections. The parties agree that for purchases from a U.S. ATC entity the state or federal courts located in Harris County, State of Texas shall be the exclusive forum for the adjudication of any controversy or dispute relating to these Conditions and/or the Agreement, and both parties hereby consent to the personal jurisdiction of such courts for all such purposes. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to the choice of law rules, statutes, or laws thereof. The parties agree that for purchases from a ATC Canadian entity the law of Alberta courts of Edmonton located in Edmonton, Alberta shall be the exclusive forum for the adjudication of any controversy or dispute relating to these Conditions and/or the Agreement, and both parties hereby consent to the personal jurisdiction of such courts for all such purposes. This Agreement shall be governed by and construed in accordance with the laws of Edmonton, Alberta without regard to the choice of law rules, statutes, or laws thereof. Should any provision hereof be held invalid or illegal, such holding shall not affect the validity of the remaining provisions. Acceptance of, or Supplier's offer to provide, the Material and/or Services is expressly limited to the Agreement, and any additional or different terms of Supplier are hereby rejected. The Agreement constitutes the final, complete and exclusive agreement between Supplier and ATC and no agreement or understanding, oral or written, in any way purporting to modify or negate these Conditions, whether contained in Supplier's bid documents, order acknowledgement, invoice or in any other of Supplier's forms or elsewhere, shall be binding on ATC, unless agreed to in writing and executed by an officer of both parties. In addition to any other legal or equitable remedies, ATC shall have the right to demand adequate assurances respecting Supplier's timely and conforming performance of the Agreement and inspect Supplier's books and records to ensure compliance therewith. Failure to enforce any or all of the Agreement in a particular instance shall not act as a waiver or preclude subsequent enforcement.
- 20. <u>Miscellaneous</u>: Supplier shall be responsible and liable for any and all payroll taxes and employee benefits due its employees and shall HOLD HARMLESS AND INDEMNIFY ATC Group for any such taxes and benefits that it may be required to pay in connection with the Agreement. Time is of the essence in the performance of Supplier's obligations hereunder. All captions are for convenience and do not constitute a part of these Conditions. The parties expressly agree that the "U.N. Convention on Contracts for the International Sale of Material" and the "Constitution on the Limitation Period in the International Sale of Material" do not form a part of the Agreement, and the same are hereby expressly renounced for all purposes. The ATC companies are separate legal entities and are not entering into this Agreement as joint ventures, partners or otherwise in any capacity that would render them jointly or jointly and severally liable hereunder. Further, no ATC entity is a guarantor or surety for any other ATC entity.

SIGNATURE PAGE

Addresses for Notices:		
Supplier: Attention: Address: Line 1: Line 2: City: Supplier:		Attention: Legal Department
IN WITNESS WHEREOF, the day of, 2	-	used this Agreement to be executed as of the
	For:	For:
Supplier Name:		Advance Thermal Corp
Authorized Signature:		
•		
Date:		