

KANTHAL CORPORATION TERMS AND CONDITIONS FOR DIRECT PURCHASE

1. **AGREEMENT AND ACCEPTANCE.** The entire agreement between the Kanthal company issuing the Purchase Order (“Kanthal”) and the vendor, contractor or service provider to whom Kanthal has addressed the purchase order (“Supplier”) consists of: (i) the terms on the front of the purchase order, (ii) Supplier Assurance Agreement (if applicable) (iii) these Terms and Conditions of Direct Purchase, (iv) any additional terms and conditions executed by Supplier and Kanthal (v) any plans or specifications provided by Kanthal to Supplier (“Specifications”) ((i) through (v) collectively, the “Order”). The Order shall become binding when accepted by Supplier either by acknowledgment or performance. Any terms and conditions proposed by Supplier which are additional to or inconsistent with the terms and conditions contained in the Order shall be void, unless specifically agreed to by Kanthal in writing, signed by Kanthal’s duly authorized representative. As used herein, “Items” means any goods and/or services purchased hereunder.
2. **DESTINATION OF SHIPMENTS.** All shipments shall be delivered to Kanthal’s facilities specified in the Order.
3. **DELIVERY SCHEDULE; QUANTITIES.** Unless otherwise agreed in writing, Supplier shall not make material commitments or production arrangements in excess of the amount, or in advance of the time, necessary to meet Kanthal’s delivery schedule. Supplier’s responsibility shall be to comply with such schedule, but not to anticipate Kanthal’s requirements. Any variation in the quantities specified in the Order shall not be accepted as compliance with the Order, except by prior written agreement of the parties. Items shipped to Kanthal prior to the delivery schedule in the Order, or in excess of the quantity ordered, may be stored or returned to Supplier, in either case at Supplier’s expense.
4. **DELIVERY; DELAYS IN DELIVERY.** Unless otherwise agreed in writing, TIME IS OF THE ESSENCE, and all deliveries shall be made strictly in accordance with the delivery schedule set out in the Order. Supplier will notify Kanthal of any delays in shipping time. Any extension of time for delivery agreed to by Kanthal or acceptance of a late delivery by Kanthal shall relate only to the extension or late delivery in question and shall not be deemed a waiver of Kanthal’s rights to delivery of future deliveries on schedule or on any agreed upon revised delivery date. If, for any reason, Supplier fails to substantially comply with Kanthal’s delivery schedule, Kanthal, at its option, may either approve a revised delivery schedule or may terminate the Order in accordance with Section 18.
5. **TRANSPORTATION; RISK OF LOSS; TITLE.** Unless specified in the Purchase Order or otherwise agreed in writing, all Items shall ship DPA. If purchase terms are specified as F.O.B. shipping point and Supplier prepays transportation and insurance charges, then Supplier’s prepaid transportation charges must be supported by a copy of the carrier’s bill or other evidence satisfactory to Kanthal. Failure to submit such proof at the time Kanthal is billed for the Items or within thirty (30) days after such evidence is requested by Kanthal shall constitute a waiver by the Supplier of such charges. The risk of loss on Items pursuant to the Order supplied shall be Supplier’s until delivery to the destination specified by Kanthal and Kanthal has inspected and accepted them (or, if F.O.B. shipping point, until delivered to a carrier approved by Kanthal). Title to the Items will pass to Kanthal upon their delivery to such location.
6. **PRICE.** Kanthal will purchase Items from Supplier at the prices set forth on a relevant Purchase Order (collectively, “Prices”). Prices include, and Supplier is solely responsible for, all costs and expenses relating to packing, crating, boxing, transporting, loading and unloading, customs, taxes, tariffs and duties, insurance and any other similar financial contributions or obligations relating to the production, manufacture, sale and delivery of the Items. Prices are firm and are not subject to increase for any reason, including changes in market conditions, increases in raw material, component, labor or overhead costs or because of labor disruptions, and changes in program timing or length. As a condition of the continuance of this Order, Supplier agrees that its price for Items ordered hereby shall not be higher than its lowest prevailing price on the date the quantity is ordered. Kanthal shall receive the benefit of any price reductions in effect prior to shipment.
7. **EXTRA CHARGES.** No charges of any kind including, without limitation, service, interest, finance or late charges, charges for insurance, handling boxing and cartage, shall be allowed unless specifically agreed to by Kanthal in writing. Unless otherwise stated in the Purchase Order otherwise agreed in writing, the Order price shall cover net weight of materials. Any variation from the price first quoted for the Order must be submitted in writing to Kanthal as and when such variations occur.
8. **PAYMENT.** Supplier shall not invoice Kanthal until Kanthal has accepted the Items purchased pursuant to this Order. Where tooling is involved, Kanthal shall not pay any tooling charges (unless otherwise agreed to in writing) until samples from any such tools are approved in writing.
9. **WARRANTIES.** Supplier warrants that all Items shall (i) be free of all liens, claims or third party encumbrances; (ii) be merchantable and fit for the intended purposes; (iii) conform with all Specifications and with applicable drawings, samples, and/or other descriptions given to Supplier by Kanthal; (iv) be free from defects in materials and workmanship; and (v) to the extent not manufactured pursuant to detailed designs furnished by Kanthal, free from defects in design. In addition, Supplier warrants that any services included in the Items shall be performed in a professional manner, in accordance with applicable industry standards.

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Without limitation of any rights which Kanthal may have at law by reason of any breach of warranty, Items which are not as warranted may be returned at Supplier's expense for either credit or replacement, as Kanthal may direct. This warranty does not constitute a waiver of any other rights of Kanthal, express or implied. This warranty shall run to Kanthal, its successors and assigns, its customers and the users of its products, and it shall survive acceptance, inspection and payment.

10. **INSPECTION.** Payment for Items delivered under the Order or any delay in inspecting them, giving notice of rejection or returning them shall not constitute an acceptance thereof. All Items shall be received subject to Kanthal's inspection, which shall occur in a reasonable time and in the event that such Items do not comply with the warranties in Section 9, Kanthal may, in addition to any other rights which it may have under applicable law, (i) return such Items to Supplier at Supplier's expense, in which case such Items will not be replaced by Supplier without prior written authorization of Kanthal, (ii) hold such Items pending Supplier's instructions, at Supplier's risk and (iii) upon notice to Supplier, take such actions as may be required to cure all defects and/or bring the Items in to conformity with all of the requirements of the Order, in which event all costs and expenses thereby incurred by Kanthal will be for Supplier's account. Any and all expenses incurred by Kanthal in the exercise of its rights under this Section will be promptly reimbursed by Supplier.
11. **CHANGES.** Kanthal reserves the right to make changes in the Order including, without limitation, changes in drawings, specifications and delivery ("Change Orders"). Supplier agrees to comply with such Change Orders. If such Change Orders result in a decrease or increase in Supplier's cost or in the time for performance, an equitable adjustment in the price or time for performance shall be made in writing by Kanthal and Supplier. Failure to agree to an adjustment will not excuse Supplier from proceeding with the Order as changed. Any claim for additional compensation hereunder must be asserted within thirty (30) days after such Change Order. Failure of Supplier to assert its claim shall operate as a waiver. Supplier will not make any change to the Order, the Specifications for any of the Items delivered under this Order, or the raw materials, design, or production processes that may affect the dimensions, appearance, price, form, fit, function (including without limitation performance, interchangeability and interface), chemical composition, cleanliness, delivery, reliability, safety, maintenance or installation of any of the Items under this Order, without Kanthal's prior written consent (which consent may be withheld in its sole discretion). Without limiting the generality of the foregoing, Supplier will not make any change to the following without Kanthal's prior written consent (which consent may be withheld in its sole discretion): (i) manufacturing location of the Items;(ii) Supplier's equipment, including, but not limited to, its processing or manufacturing equipment; (iii) location of manufacturing equipment within Supplier's location; (iv) tooling; (v) CNC machine program code from the released production process approved by Kanthal for the Items;(vi) Supplier's processing parameters; (vii) Supplier's suppliers; (viii) fixtures or manufacturing material that maybe in contact with the Items or any components thereof; (ix) configuration of the Items that may affect the form, fit, or function of the Items;(x) the frequency or methodology of Supplier's preventative maintenance, whether necessitated by emergency or otherwise; (xi) Supplier's inspection requirements or methodology;(xii) Supplier's process flow related to the Items; (xiii) Supplier's design of the Items or any component thereof; or (xiv) Supplier's raw material suppliers.

Where a Supplier proposes a change to the Specifications for any of the Items delivered under this Order, or the raw materials, design, or production processes that may affect the dimensions, appearance, price, form, fit, function (including without limitation performance, interchangeability and interface), chemical composition, cleanliness, delivery, reliability, safety, maintenance or installation of any of the Items under this Order a formal written notification is to be submitted to the Kanthal purchasing function that placed the order. The change request should be submitted at least 90 days in advance of the proposed change. The change notification should detail the exact nature of the change, including any risks associated with the proposed change, including any other pertinent information to allow Kanthal to assess the proposed change

12. **MATERIAL, EQUIPMENT AND INSURANCE.** Unless otherwise agreed to in writing by Kanthal, Supplier is to supply all material and equipment required to execute the Order. Unless otherwise agreed in writing, all specifications, drawings, technical information, data and/or patterns, tools, equipment, or material of every description furnished to Supplier by Kanthal, or paid for, either partially or totally, by Kanthal, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain the personal property of Kanthal. Such property, while in Supplier's custody or control, shall be (i) held at Supplier's risk, (ii) clearly marked and stored so that such property can be identified as the property of Kanthal, (iii) made available for inspection by Kanthal at anytime, (iv) insured by Supplier at Supplier's expense, in an amount equal to such property's replacement cost, with loss payable to Kanthal, and (v) subject to removal at any time upon Kanthal's request.
13. **FEDERAL, STATE AND LOCAL TAXES.** Unless otherwise agreed to in writing by Kanthal, the Order prices shall include any and all federal, state and local taxes applicable to the manufacture, sale or distribution of the completed Items and any subsidiary items incorporated therein, including, but not limited to, any tariffs imposed on the Items and/or any subsidiary items incorporated therein.
14. **PATENTS, TRADEMARKS, ETC.** Supplier warrants that neither the Items furnished under the Order nor the sale or use thereof will infringe on any existing patent, trademark or copyright. All royalties for patents or charges for the use of patents which may be involved in the performance of the Order shall be included in the cost of performance and shall be paid by Supplier.

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15. **INDEMNIFICATION.** Supplier shall indemnify, hold harmless, and defend Kanthal and its officers, directors, employees, agents, affiliates, successors, and permitted assigns (collectively, “Kanthal Parties”) against any and all actions, demands, claims, suits, liabilities, damages, deficiencies, judgments, settlements, interest, awards, penalties, fines, costs and expenses of any kind (including, without limitation, attorneys’ fees) to the extent arising out of: (i) Supplier’s performance under this Order; (ii) any breach by Supplier of this Order; (iii) any failure by Supplier to comply with any local, state or federal law or regulation; (iv) any bodily injury, death of any person, or damage to real or tangible personal property caused by Supplier’s negligence, including, without limitation, any reckless or willful misconduct; (v) enforcing any right to indemnification under this Order and the cost of pursuing any insurance providers; and/or (vi) infringement or violation of any third-party’s rights, including, without limitation, intellectual property rights. In the event Kanthal seeks indemnification or defense from Supplier under this provision, Kanthal will promptly notify Supplier in writing of the claim(s) brought against Kanthal for which it seeks indemnification or defense. Kanthal reserves the right, at its option and sole discretion, to assume full control of the defense of claims with legal counsel of its choice. Supplier may not enter into any third-party agreement, which would, in any manner whatsoever, affect the rights of Kanthal, constitute an admission of fault by Kanthal or bind Kanthal in any manner, without the prior written consent of Kanthal. In the event Kanthal assumes control of the defense of such claim, Kanthal shall not settle any such claim requiring payment from Supplier without Supplier’s prior written approval.
16. **ASSIGNMENT.** Supplier shall not assign this Order, by operation of law or otherwise, any of its rights or obligations under this Order or any moneys due or to become due hereunder, without the prior written consent of Kanthal. Any assignment or attempted assignment made without such consent of Kanthal shall be void.
17. **TERMINATION FOR CONVENIENCE.** Kanthal may, at anytime and upon notice, terminate the Order in whole or in part without liability regardless of whether Supplier is in default under the Order. Termination by Kanthal under this Section shall be without prejudice to any claims Kanthal may have against Supplier. The provisions of this Section shall not limit or affect Kanthal’s rights under Section 18.
18. **TERMINATION FOR DEFAULT.** Each of the following events shall constitute default by Supplier for purposes of this Order (i) the insolvency of Supplier, (ii) any assignment for the benefit of creditors of Supplier, (iii) the voluntary or involuntary filing of a petition order or other decree in bankruptcy by or against Supplier, (iv) the commencement of any proceeding, under court supervision or otherwise, for liquidation of, reorganization of, or the composition, extension, arrangement or readjustment of the obligations of Supplier, (v) failure by Supplier to comply with Kanthal’s instructions and Change Orders, (vi) failure by Supplier to comply with any material provisions of the Order, (vii) failure of the Items to conform to Supplier’s warranties contained herein or other warranties made by Supplier, (viii) failure of Supplier to make deliveries as scheduled and (ix) proof that any representations by Supplier were false when made. In the event of any such termination Kanthal, in addition to other rights it may have under applicable law or other terms of this Order, shall have the right (i) to refuse to accept further delivery of Items, (ii) to return to Supplier, at Supplier’s expense, any Items already delivered and to recover all payments made therefore and for expenses incident thereto, (iii) to recover any advance payments to Supplier for undelivered, unperformed or returned Items and (iv) to purchase elsewhere and charge Supplier any additional costs resulting therefrom. Kanthal’s right to return Items is not affected by any assignment by Supplier or moneys due or to become due hereunder.
19. **WAIVER.** No delay or omission in exercising any right or remedy shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights, powers, elections and remedies of the parties hereunder are cumulative and in addition to those which the parties have at law or in equity. Kanthal’s failure to object to any provision contained in any communication from Supplier shall not be deemed an acceptance of such provision or a waiver of any provision of this Order.
20. **STATUTE OF LIMITATIONS; COMPLIANCE WITH LAWS.** Any action of any nature by Supplier against Kanthal must be commenced by Supplier within one year after the cause of action first accrued. Supplier shall, in the performance of the Order, comply with all applicable laws, statutes, rules, regulations and orders of governmental, public and quasi-public authorities.
21. **CONFIDENTIAL INFORMATION.** Supplier shall not, without Kanthal’s prior written consent, use or disclose any information that is relative to the Order or that is otherwise disclosed to it by Kanthal, except as maybe reasonably necessary to perform its obligations under the Order and only to those of its employees with a duty to maintain such information as confidential. Supplier shall protect the confidentiality of all such information with the same degree of care it uses to protect its own confidential information, but in no event less than a reasonable standard of care. Supplier agrees that any knowledge or information of Supplier that it has disclosed or may hereafter disclose to Kanthal in connection with the purchase of the Items covered by the Order, shall not, unless otherwise specifically agreed upon in writing by Kanthal, be deemed to be confidential or proprietary information, and shall be acquired by Kanthal free from any restrictions (other than a claim for patent infringement by Supplier)

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as part of the consideration for the Order.

22. **FORCE MAJEURE.** Kanthal shall not be liable for any failure or delay in performance of its obligations under this Order due wholly or partly to any act of the government, war conditions, strikes, fire, flood, act of God or any other event beyond the reasonable control of Kanthal.
23. **DAMAGES; SET-OFF.** Damages recoverable by Kanthal under this Order will include all losses of every kind and nature including, but not limited to, lost profits, special, direct, indirect and consequential damages. Kanthal will be entitled at all times to set-off any amount owing at any time from Supplier to Kanthal or any affiliate thereof against any amount payable at any time by Kanthal or any affiliate thereof to Supplier.
24. **GOVERNING LAW; ARBITRATION.** This Order shall be governed by, interpreted and construed in accordance with the internal laws of the State of Florida, without regard to the principles of conflicts of law. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Order or any purchase hereunder. All disputes other than claims for injunctive or other equitable relief arising from or related to this Order shall be submitted to arbitration in Palm Coast, Florida (or at a location agreed to by Kanthal) under the rules then prevailing of the American Arbitration Association and judgment may be entered on any award in a court of competent jurisdiction. For all claims for injunctive or other equitable relief arising from or related to this Order, each of the parties hereby irrevocably and unconditionally (a) consents to submit to the exclusive jurisdiction of the United States District Court for the Middle District of Florida or the applicable state court located in the State of Florida County of Flagler for any such action or proceeding, (b) waives any objection to the laying of venue of any such action or proceeding in such courts and (c) waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.
25. **LIMITATION OF LIABILITY; EXCLUSION OF DAMAGES.** IN NO EVENT WILL KANTHAL BE LIABLE TO SUPPLIER FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY LOSS OF OR DAMAGE TO USE, DATA, BUSINESS, GOODWILL OR PROFITS ARISING OUT OF OR IN CONNECTION WITH THIS ORDER. THE FOREGOING LIMITATIONS, EXCLUSIONS AND DISCLAIMERS SHALL APPLY REGARDLESS OF WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED UPON CONTRACT, WARRANTY, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, AND WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. INSOFAR AS APPLICABLE LAW PROHIBITS ANY LIMITATION ON LIABILITY HEREIN, THE PARTIES AGREE THAT SUCH LIMITATION WILL BE AUTOMATICALLY MODIFIED, BUT ONLY TO THE EXTENT SO AS TO MAKE THE LIMITATION COMPLIANT WITH APPLICABLE LAW. THE PARTIES AGREE THAT THE LIMITATIONS ON LIABILITIES SET FORTH HEREIN ARE AGREED ALLOCATIONS OF RISK AND SUCH LIMITATIONS WILL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. FURTHER, KANTHAL'S LIABILITY IN THE AGGREGATE FOR CLAIMS OF ANY KIND SHALL NOT EXCEED THE PRICE RECEIVED FOR THE ORDER OF THE PRODUCT TO WHICH THE CLAIM RELATES.
26. **EXPORT COMPLIANCE.** Kanthal is committed to compliance with all applicable U.S. export regulations and laws, including, but not limited to the U.S. Treasury Office of Foreign Asset Control ("OFAC"), the U.S. State Department Directorate of Defense Trade Controls ("DDTC") and the U.S. Commerce Department Bureau of Industry and Security ("BIS"). Supplier agrees to comply with all such laws and regulations. Supplier acknowledges its responsibility to obtain any license to export, re-export or import as may be required. Supplier represents and warrants that it is not on the Specially Designated Nationals List, the Denied Persons/Entities List, the Debarred Persons List and is not otherwise prohibited from providing the Items hereunder. Supplier shall promptly notify Kanthal, in writing, if Supplier becomes debarred, suspended or proposed for debarment.
27. **CONFLICT MINERALS.** For all Items delivered to Kanthal under this Order, Supplier shall provide Kanthal, at no additional cost, with assistance and sufficient documentation, as reasonably determined by Kanthal, to enable Kanthal to comply with its obligations under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Reform Act") and the rules and regulations promulgated thereunder relating to Conflict Minerals (as defined in the Reform Act), and other similar laws or regulations including the European Conflict Minerals 2017/821 Regulation as applicable. Such assistance and documentation may include, but may not be limited to, (a) completing and submitting questionnaires or templates relating to the origin of Conflict Minerals contained in the Items (collectively, "Surveys") within the deadline requested by Kanthal; (b) promptly responding to Kanthal's questions or request for additional information with respect to Supplier's Survey; and (c) to the extent the Items contain Conflict Minerals, using diligent efforts to ensure traceability of those metals to the smelter level, including working with Supplier's subcontractors and subsuppliers to identify the origin of the Conflict Minerals. Supplier agrees to maintain any documentation and data related to Supplier's obligations under this Section 27, including any traceability data, for a

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period of five (5) years and agrees to provide Kanthal with a copy of such documentation or data promptly upon request. Upon notice to Supplier, Kanthal has the right to amend the requirements of this Section 27.

28. **BUSINESS CONDUCT CONSISTENT WITH KANTHAL CODE OF CONDUCT AND SUPPLIER CODE OF CONDUCT.** Supplier shall review and act in a manner consistent with [Kanthal's Code of Conduct](#) and [Kanthal's Supplier Code of Conduct](#).
29. **RELATIONSHIP OF THE PARTIES.** The relationship between Supplier and Kanthal is solely that of independent contractors. Nothing in this Order creates any agency, joint venture, partnership or other form of joint enterprise, employment or fiduciary relationship between the parties. Neither party has any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other party or to bind the other party to any contract, agreement or undertaking with any third party.
30. **SEVERABILITY.** The unenforceability or invalidity of any provision of this Order will not affect the enforceability or validity of the remaining provisions of this Order.
31. **DOCUMENT PRECEDENCE.** Any ambiguity, conflict or inconsistency between the documents comprising this Order shall be resolved according to the following order of precedence: (i) Purchase Order (ii) Supplier Assurance Agreement (iii) Specification documents (iv) Terms and Conditions of Direct Purchase and (v) any additional terms and conditions executed by both parties.
32. **ENTIRE AGREEMENT.** This Order contains the entire agreement and understanding between Kanthal and Supplier relating to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between Kanthal and Supplier with respect to the subject matter hereof.