

ACE PRECISION MACHINING CORP. TERMS AND CONDITIONS OF PURCHASE

Please read these terms and conditions carefully. They materially affect the parties' obligations.

1. **Acceptance; Contrary Terms; Entire Agreement.** These terms and conditions, together with the purchase order, service order, or similar form (collectively, this "**Order**") issued by Ace Precision Machining Corp. ("**Buyer**") constitute an offer for the purchase of goods and/or services (collectively, the "**Articles**") from the seller or provider of the Articles ("**Seller**"). Seller's acceptance of Buyer's offer is expressly limited to the terms and conditions contained herein. Buyer may revoke this Order at any time prior to its acceptance by Seller. Commencement of delivery or other indications of acceptance by Seller shall result in a firm contract containing all terms and conditions of this Order. NOTWITHSTANDING THE CONTENTS OF ANY FORM FROM SELLER, THE ONLY EFFECT THEREOF SHALL BE TO ACCEPT THIS ORDER ON BUYER'S TERMS AND CONDITIONS, ANY PROVISION OF ANY FORM OR OTHER WRITING INCONSISTENT WITH THESE TERMS AND CONDITIONS SHALL NOT CONSTITUTE A PART OF THIS ORDER. Additional or different terms already or hereafter proposed by Seller, whether in a quotation, acknowledgment, invoice or otherwise are rejected and shall not apply. Buyer's performance is conditional upon Seller's assent to these terms and conditions. If any of these terms and conditions are not acceptable to Seller, Buyer must be notified within 2 days of receipt or Seller shall be deemed to accept the terms and conditions hereof. This Order is intended by the parties to be the complete and final expression of their agreement and a complete and exclusive statement of the terms and conditions thereof. No modification of any term or condition shall be valid or binding upon Buyer unless approved by Buyer in writing.

2. **Warranty-Product.** Seller warrants that all Articles delivered shall: (a) be new and of first quality; (b) be merchantable and free from defects in materials and workmanship; (c) conform to specifications, descriptions and other conditions specified by Buyer; (d) be performed by competent and qualified personnel in a proper, ethical and workmanlike manner; (e) be free from liens and encumbrances with good title conveyed upon payment of the purchase price; (f) be fit and safe for their intended purpose, if Seller is or should be aware of such Articles' intended use; and (g) be approved by qualified licensed professionals if professional design work is involved. Seller further warrants that neither the sale nor use of the Articles furnished pursuant to this Order shall infringe upon any United States or foreign letters patent, copyright, trademark, or any other intellectual property right. Seller also warrants that it shall obtain and assign or otherwise provide to Buyer the benefits of warranties and/or guarantees provided by manufacturers or suppliers of materials or equipment incorporated into the Articles, and shall perform its responsibilities so that such warranties and/or guarantees remain in full effect. Seller agrees to promptly repair or replace, at Buyer's sole option and without additional expense to Buyer, any of the Articles which do not conform to the foregoing. In the event that Seller fails to promptly repair or replace such Articles, Buyer may cause such replacement or correction to be made and charge Seller for all expenses associated therewith. The foregoing warranties and remedies shall be in addition to any warranties or remedies set forth elsewhere in this Order or as provided by law and shall survive inspection, test, acceptance and payment.

3. **Warranty-Price.** Unless otherwise agreed to in writing by Buyer and Seller, the prices charged to Buyer are F.O.B. Buyer's premises and include any applicable federal, state or local taxes, charges or duties. Seller warrants that the prices charged Buyer on this Order are no higher than prices charged on orders placed by third parties for similar quantities and on similar conditions subsequent to the last generally announced price change. If Seller breaches this warranty, the

prices of the Articles shall be reduced accordingly to such lower prices, retroactive to the date of such breach. If at any time Buyer is able to secure a specific amount of any of the Articles of equal quality from another party at a price lower than the price stated in this Order and if, after notice in writing, Seller is unwilling or unable to meet such lower price, Buyer may purchase such specific amount and apply it against this Order. Any price reduction in the Articles made after the date of this Order, but prior to shipment, shall apply to this Order.

4. **Inspection; Rejection.** Articles purchased are subject to inspection and approval at Buyer's designated destination. Buyer reserves the right to reject and refuse Articles that are not in accordance with Buyer's instructions, specifications, drawings and/or data or Seller's warranties (express and implied). Seller shall reimburse Buyer for inspection costs of rejected Articles. Rejected Articles shall be returned to Seller at Seller's expense, without prejudice to any claims that Buyer may have against Seller. In the event the Articles must be installed, tested, inspected or assembled prior to use, such Articles shall not be deemed accepted until such installation, testing, inspection or assembly, as the case may be, indicates that the Articles are in accordance with specifications and are operating properly. Payment for any of the Articles prior to inspection hereunder shall not be deemed an acceptance thereof.

5. **Packing.** All Articles shall be packed and shipped by Seller in accordance with any instructions provided by Buyer and in accordance with good commercial practices to prevent damage. No additional charges of any kind shall be added or assessed for boxing, packing and/or shipping, unless specified on this Order.

6. **Indemnification.** Seller hereby agrees to defend, indemnify, and hold Buyer, its employees, customers, successors and assigns, harmless against any claims, demand, suit, action or proceeding, together with all liabilities, judgments, costs, losses or expenses whatsoever, including reasonable attorneys' fees (collectively, the "**Claim**"), arising from any actual or alleged (a) defect in the Articles, (b) failure to comply with specifications set forth in this Order or with any express or implied warranties of Seller, (c) violation by the Articles, including any violation in manufacture or sale of the Articles, of any statute, ordinance or administrative order, rule or regulation, or (d) infringement by any Article not manufactured, packaged, or labeled in accordance with Buyer's design, of any patent, trademark, or other trade designation, trade secret, copyright, or other intellectual property right, which shall have been in effect at the time this Order is accepted by Seller. If any Claim is commenced against Buyer, Buyer agrees to give Seller notice thereof in writing. Buyer shall have the right to employ, at Seller's expense, counsel on its own behalf, and shall have the right to participate in the defense of any Claim.

7. **Buyer-Furnished Property.** Seller shall keep confidential and shall not disclose to any other party, or use, reproduce, or appropriate, any material, tooling, dies, drawings, designs, and other property or data (electronic or otherwise) furnished by Buyer (collectively, the "**Buyer-Furnished Property**"), nor shall Seller use the same to produce or manufacture any Articles or other goods than those required hereunder without the prior written consent of Buyer. Title to the Buyer-Furnished Property shall remain with Buyer at all times. Seller shall bear the risk of loss or damage to the Buyer-Furnished Property unless such loss or damage is solely, directly, and proximately caused by Buyer. All Buyer-Furnished Property, together with spoiled and surplus materials, shall be returned to Buyer upon the cancellation, termination or completion of this Order or upon Buyer's demand.

8. **Taxes.** Unless otherwise specified on the face of this Order, the prices herein include all applicable federal, state and local taxes, customs, duties and fees of every kind and nature, including, without limitation, sales and use taxes.

9. **Changes.** Buyer may, at any time before delivery of an Order, change the quantities, specifications, delivery schedules, methods of shipping and packing or other terms of this Order. If such changes cause an increase or decrease in prices or in time required for performance, Seller shall notify Buyer thereof within 2 days of receipt of such change by Seller, and an equitable adjustment shall be made. Changes shall not be binding unless evidenced by a change order issued and signed by Buyer. Seller agrees to accept any and all such changes subject to this section.

10. **Cancellation.** Time is of the essence with respect to Seller's obligations hereunder. Buyer may cancel this Order in whole or in part without liability or penalty: (a) if Seller fails to comply with the specifications, terms or conditions of this Order; (b) if delivery is delayed beyond the requested delivery date; (c) if Seller files a voluntary petition under any federal or state bankruptcy or insolvency act, an involuntary bankruptcy petition is filed against Seller, or Seller is declared insolvent or has a receiver or trustee appointed for it or its assets, or if Seller makes an assignment for the benefit of creditors or commences proceedings under any state insolvency or similar law; or (d) if Buyer encounters any labor disputes, governmental orders or actions, unavailability of transportation, fires, floods, breakdowns of essential machinery, accidents or other causes beyond its control which affects its ability to receive and use the Articles ordered. If the Articles are not delivered to Buyer by the specified delivery date, Buyer reserves the right, in addition to its other rights under these terms and conditions and under law, to return the Articles or cancel all or part of this Order and charge Seller with all costs, expenses and damages associated with such return or cancellation. Seller shall strictly comply with delivery instructions contained in this Order. Buyer may delay delivery and/or acceptance for causes arising beyond its control.

11. **Actions Upon Cancellation.** Upon receipt of notice of the cancellation of this Order (in whole or in part) by Buyer, Seller shall stop work and the placement of subcontracts under this Order, and take any necessary action to protect the property in Seller's possession in which Buyer has or may acquire an interest. Within 2 days of receipt, Seller must acknowledge (in writing) Buyer's notice of cancellation and provide written notification that Seller has stopped all work related to this Order (whether performed directly by Seller or by a subcontractor of Seller). Any cancellation claim must be submitted to Buyer within 14 days after the earlier of the effective date of the cancellation or termination or Seller's receipt of Buyer's notice of cancellation. Buyer reserves the right to accept or reject any such claim in whole or in part. In no event shall Buyer be liable for lost profits.

12. **Compliance with Laws.** Seller warrants that all Articles shipped hereunder have been produced in compliance with all applicable local, state (or province), federal and foreign laws, rules, regulations, standards and codes, including (where appropriate), but not limited to, the Fair Labor Standards Act, environmental protection laws and occupational health and safety laws. For purchases within the United States, Seller's invoices shall contain a certification substantially as follows: "Seller represents that these items were produced in compliance with all applicable requirements of the Fair Labor Standards Act and of regulations and orders of the U.S. Department of Labor issued thereunder." Seller warrants that it shall not do anything which would cause the work environment for Buyer's agents or employees not to be in compliance with the law. If Seller is located in the United States or if the work is to be performed in the United States, Seller also warrants that it shall at all times comply with applicable provisions relating to obligations of government contractors and subcontractors, which are incorporated in this Order by reference, including, without

limitation, the OFCCP Rules and Regulations, 41 CFR 60-1.4(a) as amended by Executive Order 13665, 60-300.5(a), 60-741.5(a), Appendix A of Subpart A of 29 CFR 471. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, national origin, sexual orientation and gender identity. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. The Vietnam Era Veteran's Readjustment Act of 1974, The Rehabilitation Act of 1973, Executive Order 11701 relating to the employment of veterans and Executive Orders 11625 and 12138 relating to participation by minority and women-owned businesses and the utilization of concerns owned and controlled by socially and economically disadvantaged individuals.

13. **Setoff.** Buyer may set off any amount due from Seller against any amount owed to Seller under this Order.

14. **Subcontracting; Assignment.** Seller may not assign or subcontract any of its rights, duties, or obligations under any Order without Buyer's prior written consent. Any attempted assignment without such consent, even if by operation of law, shall be void. Any consent by Buyer to Seller's subcontracting or assignment shall not relieve Seller from its obligations, from any liability for breach, or from any duty to perform hereunder.

15. **Delay.** Whenever any occurrence or event affecting Seller or its subcontractors or suppliers delays or threatens to delay the timely performance of this Order, Seller shall immediately give written notice thereof to Buyer whenever Seller has knowledge that any present or potential labor dispute is delaying or threatens to delay the timely performance of this Order, Seller shall immediately give notice thereof, including all information relevant thereto to Buyer's purchasing agent, and if this Order is issued under a government prime contract, or subcontract thereunder, such notice shall also be given to the nearest representative of the government department concerned.

16. **Notices.** Any notice relating to this form must be in writing and shall be considered given when deposited, postage prepaid, in United States Post Office or authorized depository and addressed to the other party at the last known address of such party.

17. **Excuse from Performance.** Either party is excused from performance if such performance is rendered impractical by any accident, breakdown, riot, war, delay, strike, labor or transportation problem, act of God, or other causes and conditions, whether of like or different nature, that are beyond such party's reasonable control. Written notice of delay or failure to perform must be given by the affected party within 10 days of the cause or condition. In the event of Seller's delay or failure to perform, Buyer may, at its sole option: (a) require Seller to provide the Articles from other sources; or (b) purchase the Articles from other sources and reduce its obligation to Seller, if any, by the quantities purchased, without liability to Buyer. At Buyer's request, Seller shall provide adequate assurances that the delay or failure to perform shall not exceed 30 days. If Seller fails to provide such assurances within 10 days of Buyer's request or fails to perform within the 30 day period, Buyer may immediately cancel any effected order without liability.

18. **Reservation of Rights; Waiver.** Buyer explicitly reserves its rights to all remedies available to it under applicable law, including, without limitation, any rights it may have to incidental and consequential damages. The waiver by Buyer of a breach by Seller of any term or condition on this form shall not be deemed as a waiver of future compliance and such term or condition shall remain in full force and effect.

19. **Applicable Law.** The validity, construction, and enforcement of this Order shall be governed by and interpreted under the internal laws of the State of Wisconsin, including, without limitation, its provisions of the Uniform Commercial Code. No remedy provided herein shall be exclusive of any other remedy hereunder or provided by any applicable law.

20. **Buyer Supplemental Purchase Order Conditions.** This order is expressly subject to the terms and conditions of that certain letter agreement between Buyer and Seller concerning Buyer's Supplemental Purchase Order Conditions (as such letter may be modified from time to time), and such terms and conditions are incorporated herein by reference.

21. **Proprietary Information; Confidentiality; Advertising.** All information furnished by Buyer or any other person acting on behalf of Buyer and all information learned or observed about Buyer or its operations through the performance of this Order is confidential and Seller shall not disclose any such information to any other person or use such information for any purpose other than performing this Order without Buyer's express written consent. All information, including drawings, samples, models, specifications, or other documents provided by Buyer or prepared by Seller for Buyer shall be returned to Buyer promptly upon request. Seller shall not publicize the fact that Buyer has contracted to purchase Articles from Seller, nor shall Seller disclose or permit the disclosure of any information relating to this Order without Buyer's written consent. Unless otherwise agreed to in writing, no information disclosed by Seller to Buyer shall be deemed confidential and Seller shall have no rights against Buyer with respect to Buyer's use thereof.

22. **Liens.** Seller agrees that it shall not file any liens as a result of producing Articles hereunder and that it shall not permit its subcontractors or other suppliers to file such liens. When requested, Seller shall provide Buyer with lien waivers for itself, its subcontractors and other suppliers in a form satisfactory to Buyer. If a lien is filed, Seller shall cooperate fully with Buyer, at Seller's expense, to cause the lien to be removed.

23. **Insurance.** Seller shall obtain and maintain in force (a) bodily injury and property damage public liability insurance (including coverage for products and completed operations and contractual liabilities) of not less than \$2 million per occurrence, and (b) all other insurance as required by law. Upon request, Seller shall provide Buyer with satisfactory evidence that such insurance is in effect.

24. **Conflict Minerals.** Disclosure of product containing "Conflict Minerals" Tin, Tantalum, Tungsten and Gold (3T&G): Supplier will notify Buyer at Ace Precision in writing via an EICC Conflict Minerals Reporting Template if it has been determined through due diligence that product supplied to Ace Precision contains Conflict Minerals.

25. **Export Compliance.** Supplier acknowledges and agrees that the Products or Services and related technology subject to the Purchase Order are subject to the export control laws and regulations of the United States, and Supplier agrees to comply with such laws and regulations.

26. **Unauthorized Parts.** A "Suspect Part" is a part in which there is an indication by visual inspection, testing or other information that it may meet the definition of a Fraudulent Part of a Counterfeit Part. A "Fraudulent Part" is any part knowingly misrepresented as meeting required specifications or the false identification of grade, serial number, lot number, and date code or performance characteristics. A "Counterfeit Part" is a part, that has been represented, identified or marked as genuine, but has been confirmed to be a copy, imitation or

substitute that was created without legal right to do so and with the intent to mislead, deceive, or defraud.

27. **Miscellaneous.** The invalidity or unenforceability of any provision of this Order shall not affect the validity or enforceability of any of the other provisions of this Order. Buyer's failure to insist on performance of any of the terms of this Order, its failure to exercise any right or privilege or its waiver of any breach hereunder shall not effect a waiver of any other right or privilege, whether of the same or similar type. Captions preceding particular sections are for convenience only and are not to be construed as part of this Order or as a limitation of the scope of the particular sections to which they refer. If Seller is located outside the United States, then except as otherwise specified, (a) the 1980 United Nations Convention on Contracts for the International Sale of Goods shall not apply, (b) all customs fees, import duties, cargo insurance, taxes and other charges imposed on or relating to the purchase or sale of the Articles shall be paid by Seller, and (c) all prices include all commercial export packing.