

## ACE PRECISION MACHINING CORP. TERMS AND CONDITIONS OF SALE

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

1. **Applicability.** These terms and conditions of sale ("**Terms**") and the accompanying sales quote, proposal, confirmation, acknowledgement, or invoice (collectively with the Terms, the "**Agreement**") are the only terms which govern the sale of the goods ("**Goods**") by Ace Precision Machining Corp. ("**Seller**") to the buyer ("**Buyer**"). BUYER'S ORDER FOR THE GOODS IS ACCEPTED ONLY ON THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT. THIS AGREEMENT COMPRISES THE ENTIRE AGREEMENT BETWEEN THE PARTIES, AND SUPERSEDES ALL PRIOR OR CONTEMPORANEOUS UNDERSTANDINGS, AGREEMENTS, AND COMMUNICATIONS, BOTH WRITTEN AND ORAL, WITH RESPECT TO THE SUBJECT MATTER HEREOF. THESE TERMS PREVAIL OVER ANY OF BUYER'S TERMS AND CONDITIONS OF PURCHASE, REGARDLESS OF WHETHER OR WHEN BUYER SUBMITTED ITS PURCHASE ORDER OR SUCH TERMS. FULFILLMENT OF BUYER'S ORDER DOES NOT CONSTITUTE ACCEPTANCE OF ANY OF BUYER'S TERMS AND CONDITIONS AND DOES NOT SERVE TO MODIFY OR AMEND THIS AGREEMENT. Any prior course of dealing, trade usage, or verbal agreement not reduced to writing and signed by Seller, to the extent it modifies, adds to, amends, or conflicts with this Agreement, shall not be binding on Seller.

2. **Delivery.** Unless otherwise agreed to in writing by the parties, Seller shall deliver the Goods to Seller's plant of origin, [or specific warehouse/other location] ("**Delivery Point**") using Seller's standard methods for packaging and shipping such Goods. Buyer shall be responsible for all loading costs and provide equipment and labor reasonably suited for receipt of the Goods at the Delivery Point. Seller may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each shipment shall constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Buyer's order. Shipping dates are approximate and are based on conditions existing upon Seller's receipt of Buyer's firm order and full information. Seller shall, in good faith, endeavor to ship by the estimated shipping date but shall not be responsible for any delay or any damage arising therefrom. It is agreed that time is not of the essence.

3. **Title and Risk of Loss.** Title and risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point. If for any reason Buyer (or Buyer's transporting carrier) fails to take delivery of the Goods on the date on which the Goods have been delivered to the Delivery Point or if the Seller is unable to deliver the Goods at the Delivery Point because Buyer (or Buyer's transporting carrier) has not provided appropriate instructions, documents, licenses or authorizations: (i) risk of loss to the Goods shall pass to Buyer; (ii) the Goods shall be deemed to have been delivered; and (iii) the Seller, at its option, may store the Goods until Buyer picks it up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance). Until full payment of all invoiced amounts due Seller and as collateral security for the payment of all such amounts, Buyer hereby grants to Seller a lien on and security interest in and to all of the rights, title, and interest of Buyer in, to, and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the Wisconsin Uniform Commercial Code.

4. **Inspection and Rejection of Nonconforming Goods.** Buyer shall inspect the Goods within forty-eight (48) hours of Buyer's receipt of the Goods ("**Inspection Period**"). Buyer shall be deemed to have accepted the Goods unless it notifies Seller in writing of any Nonconforming Goods during the Inspection Period and furnishes such written evidence or other

documentation as required by Seller. "**Nonconforming Goods**" means only that the product shipped is different than identified in Buyer's o

rd or is damaged. If Buyer timely notifies Seller of any Nonconforming Goods, Seller shall, in its sole discretion, (i) have the right to inspect any Nonconforming Goods; (ii) repair the Nonconforming Goods at the location of such Nonconforming Goods; (iii) replace such Nonconforming Goods with conforming Goods; or (iv) credit or refund the Price for such Nonconforming Goods. Buyer shall ship, at its expense and risk of loss, the Nonconforming Goods to Seller as directed by Seller. If Seller exercises its option to replace Nonconforming Goods, Seller shall, after receiving Buyer's shipment of Nonconforming Goods, deliver the replaced Goods to Buyer at the Delivery Point. Buyer acknowledges and agrees that the remedies set forth in this Section are Buyer's exclusive remedies for the delivery of Nonconforming Goods.

5. **Price.** Buyer shall purchase the Goods from Seller at the price specified in this Agreement ("**Price**"). All Prices are exclusive of all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any governmental authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs, and taxes; provided, that, Buyer shall not be responsible for any taxes imposed on, or with respect to, Seller's income, revenues, gross receipts, personnel, or real or personal property or other assets.

6. **Payment Terms.** Buyer shall pay all invoiced amounts due to Seller within contractually agreed upon terms. Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. In addition to all other remedies available under these Terms or at law (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend delivery of any Goods if Buyer fails to pay any amounts when due and such failure continues for ten (10) days following written notice thereof. Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller, whether relating to Seller's breach, bankruptcy, or otherwise.

7. **No Warranty.** ALL GOODS ARE PURCHASED "AS-IS" BY BUYER WITH ALL FAULTS. SELLER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR ANY OTHER MATTER WITH RESPECT TO THE GOODS, WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED. The employees or representatives of Seller are not authorized to make any statement or representation as to the quality, character, size, condition, quantity, etc. regarding the Goods inconsistent with this Agreement. Any such statement made shall not be binding on Seller or be grounds for any claim.

8. **Export Controls.**

(a) Buyer shall comply with United States export control and sanctions laws, regulations, and orders, as they may be amended from time to time, applicable to the export and re-export of goods, software, technology, or technical data ("**Items**") or services, including without limitation the Export Administration Regulations ("**EAR**"), International Traffic in Arms Regulations ("**ITAR**"), and all regulations and orders administered by the U.S. Department of Treasury, Office of Foreign Assets Control (collectively, "**Export Control Laws**").

(b) Buyer agrees that no Items provided by Seller in connection with this Agreement shall be provided to any Non-U.S. Persons (as determined under 22 CFR 120.15) or to a foreign entity, including without limitation, a foreign employee or subsidiary of Buyer (including

those located in the U.S.), without Buyer first having obtained an appropriate export license, technical assistance agreement or other requisite authorization for ITAR-controlled technical data or items.

(c) If Seller is manufacturing to Buyer's design, Buyer shall provide the applicable Export Control Classification Number (ECCN) or ITAR control statement for all Products furnished by Seller to Buyer. Buyer shall indemnify Seller for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Seller in connection with any misclassifications by Buyer.

(d) The exporter of record has obtained, or will obtain and properly use, U.S. Government export authorizations which are necessary for Seller to perform this Agreement. The authorization for export would be specific only to the country identified on the purchase order and the Items may not, without the prior written approval of the U.S. Government, be transferred, transhipped on a noncontinuous voyage, or otherwise disposed of in any other country, either in their original form or after being incorporated into other end items. If so requested by the exporter of record, the other party shall assist in obtaining such authorization. If U.S. Government export authorization is not available, cannot be obtained, or is obtained and subsequently revoked, the controlled Items shall not be exported, or reexported.

(e) When requested by Seller's authorized representative or agent, Buyer shall, promptly and at no cost to Seller, furnish Seller with any documentation, including certificates or end-user statements from Buyer, which are reasonably necessary to support Seller's U.S. export compliance program. Seller shall not be responsible for delays resulting from a lack of necessary documentation from Buyer.

(f) Buyer shall immediately notify Seller if it is or becomes listed on any denied-party list of an agency of the U.S. Government or its export privileges are denied, suspended or revoked by the United States Government.

(g) Seller may be required to obtain information concerning citizenship or export status of Buyer's personnel. Buyer agrees to provide such information as reasonably requested by Seller and certifies the information to be true and correct.

(h) Should Buyer discover any Export Control Laws violation, Buyer shall promptly notify Seller and Buyer shall cooperate fully with any investigation by Seller and, if required, in the preparation and submission of any voluntary disclosure to government authorities.

9. **Limitation of Liability.** SELLER'S SOLE LIABILITY TO BUYER ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT, AND BUYER'S EXCLUSIVE REMEDIES FOR ANY CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT, SHALL BE LIMITED SOLELY TO THE REPAIRMENT OF ANY DEFECTIVE OR NONCONFORMING GOOD, REPLACEMENT OF ANY DEFECTIVE OR NONCONFORMING GOOD, OR A CREDIT OR REFUND TO BUYER FOR SUCH DEFECTIVE OR NONCONFORMING GOOD. SELLER SHALL NOT BE LIABLE TO BUYER, UNDER ANY CIRCUMSTANCES, FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LABOR COSTS OR LOST PROFITS RESULTING FROM THE USE OF OR INABILITY TO USE THE GOOD) OR FOR ANY GENERAL, SPECIAL, DIRECT, INDIRECT, EXEMPLARY, PUNITIVE, OR OTHER DAMAGES OF ANY KIND OR NATURE WHATSOEVER ARISING UNDER THIS CONTRACT OR UNDER ANY OTHER CONTRACT OR AGREEMENT BETWEEN BUYER AND SELLER. THE PROVISIONS OF THIS SECTION SHALL SURVIVE ANY TERMINATION, EXPIRATION, OR CANCELLATION OF THIS CONTRACT, HOWEVER ARISING. SELLER SHALL NOT SUFFER ANY LIABILITY WHATSOEVER TO BUYER FOR SELLER'S FAILURE TO PERFORM SELLER'S OBLIGATIONS HEREUNDER WHERE SUCH FAILURE IS DIRECTLY OR INDIRECTLY CAUSED BY OR CONTRIBUTED TO BY ANY

EVENTS OR OCCURRENCES CONSTITUTING FORCE MAJEURE (AS SET FORTH IN SECTION 13 HEREOF).

10. **Termination.** Following acceptance by Seller, orders are not subject to cancellation or change without Seller's prior written consent. In addition to any remedies that may be provided under these Terms, Seller may terminate this Agreement with immediate effect upon written notice to Buyer if Buyer: (i) fails to pay any amount when due under this Agreement and such failure continues for ten (10) business days after Buyer's receipt of written notice of nonpayment; (ii) has not otherwise performed or complied with any of these Terms, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

11. **Waiver.** No waiver by Seller of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

12. **Confidential Information.** All confidential or proprietary information of Seller, including, but not limited to, specifications, samples, designs, plans, drawings, documents, data, business operations, pricing, discounts, or rebates, disclosed by Seller to Buyer, whether disclosed orally or in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential", is and shall be treated as confidential, may only be used in connection with performing this Agreement, and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller's request, Buyer shall promptly return all documents and other materials received from Seller. Seller shall be entitled to injunctive relief for any violation of this Section.

13. **Force Majeure.** Seller shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Seller including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, lockouts, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage.

14. **Indemnification.** Except to the extent any damages or injuries were caused by Seller's negligent acts, Buyer shall defend, indemnify, and hold harmless Seller, its officers, directors, shareholders, employees, representatives, agents, successors, and assigns, from and against any and all liabilities, obligations, (including, without limitation, liabilities or obligations relating to any violation of any environmental laws, rules, or regulations by Buyer or its officers, directors, shareholders, employees, agents, or representatives), claims, demands, losses, damages (including, without limitation, incidental or consequential damages or lost profits), suits, actions, liens, costs, expenses (including attorneys' fees), fines, penalties, or charges of any nature whatsoever (collectively, "**Damages**") imposed on, asserted against, or incurred by Seller as a result of (i) any violation of any law, ordinance, rule, or regulation by Buyer or its officers, directors, shareholders, employees, agents, customers, representatives, successors, assigns, or invitees; (ii) death, personal injury, property damage, or any other injury, damage, or claim arising out of the transportation, storage, handling, use, or disposal of the Good by Buyer, or its employees, agents, representatives, customers, or invitees; or (iii) Buyer's breach or nonperformance of this Agreement. The parties intend to have their comparative fault for any such Damages used as the method

of apportioning responsibility for all Damages. In the event that any such Damages are subsequently found by a court of competent jurisdiction to have been caused by the comparative negligence of Seller and Buyer (or any other person or entity), each party shall be liable, under this Section, for a share of the Damages based on that party's pro rata share of such negligence as found by such Court. If the parties settle any such Damage claims, then the parties hereto shall apportion such costs of settlement, costs of defense, and attorneys' fees between themselves as a part of the settlement process based on their respective percentage of comparative negligence. Buyer's obligations under this Section shall survive the termination, expiration, or cancellation of this contract. Buyer shall promptly reimburse Seller for any and all Damages to Seller or Seller's property (except Damages caused solely by the negligence of Seller or its employees or agents) which occur in the course of or arises out of Buyer's performance under this contract.

15. **Assignment.** Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement. Seller expressly reserves the right to subcontract the performance of all or part of this Agreement without the consent of Seller.

16. **Relationship of the Parties.** The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

17. **No Third-Party Beneficiaries.** This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

18. **Amendment and Modification.** These Terms may only be amended or modified in a writing which specifically states that it amends these Terms and is signed by an authorized representative of each party.

19. **Governing Law.** All matters arising out of or relating to this Agreement is governed by and construed in accordance with the internal laws of the State of Wisconsin without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than those of the State of Wisconsin.

20. **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.