

AceCo Precision Manufacturing LLC

**TERMS AND CONDITIONS FOR THE
PURCHASE OF GOODS AND SERVICES**

1. Applicability.

(a) These terms and conditions of purchase (these “**Terms**”) govern the purchase of the goods (“**Goods**”) and services (“**Services**”) by AceCo Precision Manufacturing LLC (“**Buyer**”) from the seller named on the accompanying purchase order (“**Purchase Order**”) to which these Terms are attached (“**Seller**”).

(b) This document is an offer by the Buyer to purchase the Goods and/or Services herein described, not a confirmation or acceptance of any offer to sell, and acceptance of this offer is expressly made conditional on assent to these terms and conditions and the other provisions contained in this document. Buyer hereby objects to any additional or different terms contained in any of Seller’s quotation, acknowledgement, invoice or other forms, or in any other correspondence from Seller. The accompanying Purchase Order and these Terms (collectively, this “**Agreement**”) comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Seller’s general terms and conditions of sale regardless whether or when Seller has submitted its sales confirmation or such terms. This Agreement expressly limits Seller’s acceptance to the terms of this Agreement. Commencement of performance of this Purchase Order constitutes acceptance of these Terms.

2. Delivery of Goods and Performance of Services.

(a) Seller shall deliver the Goods in the quantities and on the date(s) specified in the Purchase Order (the “**Delivery Date**”).

(b) Seller shall deliver all Goods to the location specified in the Purchase Order (the “**Delivery Point**”) during Buyer’s normal business hours or as otherwise instructed by Buyer. Title and risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point.

(c) Seller shall pack all goods for shipment according to Buyer’s instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. The Purchase Order number must appear on all shipping documents, shipping labels, bills of lading, air waybills, invoices, correspondence and any other documents pertaining to the Purchase Order.

(d) Seller shall provide the Services to Buyer as described and in accordance with the schedule set forth on the Purchase Order.

(e) Seller acknowledges that time is of the essence with respect to Seller’s obligations hereunder and the timely delivery of the Goods and Services, including all performance dates, timetables, project milestones and other requirements in this Agreement. If Seller fails to deliver the Goods in full on the Delivery Date or fails to provide the Services in accordance with schedule, Buyer may terminate this Agreement immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller’s failure to deliver the Goods on the Delivery Date or provide the Service in accordance with the schedule.

3. Quantity. If Seller delivers more or less than the quantity of Goods ordered, Buyer may reject all or any such Goods. Any such rejected Goods shall be returned to Seller at Seller’s sole risk and

expense. If Buyer does not reject the Goods and instead accepts the delivery of Goods at the increased or reduced quantity, the Price for the Goods shall be adjusted on a pro-rata basis.

4. Inspection and Rejection of Nonconforming Goods. Buyer has the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind this Agreement in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Seller shall, at its expense, promptly replace the nonconforming or defective Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate this Agreement for cause pursuant to Section 18.

5. Price. The price of the Goods and Services is the price stated in the Purchase Order (the “**Price**”). If no price is included in the Purchase Order, the Price shall be the price set out in Seller’s published price list in force as of the date of the Purchase Order. Unless otherwise specified in the Purchase Order, the Price includes all packaging, transportation costs to the Delivery Point, insurance, customs duties and fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer.

6. Payment Terms. Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with these Terms. Buyer shall pay all properly invoiced amounts due to Seller within sixty (60) days after Buyer’s receipt of such invoice unless otherwise specifically agreed to by Buyer in writing, except for any amounts disputed by Buyer in good faith. All amounts invoiced hereunder must be in US dollars. Without prejudice to any other right or remedy, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller. The parties shall seek to resolve any payment disputes expeditiously and in good faith. Seller shall continue performing its obligations under this Agreement notwithstanding any such dispute.

7. Seller’s Obligations Regarding Services. Seller shall:

(a) before the date on which the Services are to start, obtain, and at all times during the term of this Agreement, maintain, all necessary licenses and consents and comply with all relevant laws applicable to the provision of the Services;

(b) comply with all rules, regulations and policies of Buyer, including security procedures concerning systems and data and remote access thereto, building security procedures, including the restriction of access by Buyer to certain areas of its premises or systems for security reasons, and general health and safety practices and procedures;

(c) maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Seller in providing the Services in such form as Buyer shall approve. During the term of this Agreement and for a period of three (3) years thereafter, upon Buyer’s written request, Seller shall allow Buyer to inspect and make copies of such records and interview Seller personnel in connection with the provision of the Services;

(d) obtain Buyer’s written consent prior to entering into agreements with or otherwise engaging any person or entity, including all subcontractors and affiliates of Seller, other than Seller’s employees, to provide any Services to Buyer (each such approved subcontractor or other third party, a “**Permitted Subcontractor**”). Buyer’s approval shall not relieve Seller of its obligations under the Agreement, and Seller shall remain fully responsible for the performance of each such

Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this Agreement as if they were Seller's own employees. Nothing contained in this Agreement shall create any contractual relationship between Buyer and any Seller subcontractor or supplier;

(e) require each Permitted Subcontractor to be bound in writing by the confidentiality provisions of this Agreement;

(f) ensure that all persons, whether employees, agents, subcontractors, or anyone acting for or on behalf of the Seller, are properly licensed, certified or accredited as required by applicable law and are suitably skilled, experienced and qualified to perform the Services;

(g) ensure that all of its equipment used in the provision of the Services is in good working order and suitable for the purposes for which it is used, and conforms to all relevant legal standards and standards specified by the Buyer; and

(h) keep and maintain any Buyer equipment in its possession in good working order and shall not dispose of or use such equipment other than in accordance with the Buyer's written instructions or authorization.

8. Change Orders. Buyer may at any time, by written instructions and/or drawings issued to Seller (each a "**Change Order**"), order changes to the Goods or Services. If such changes result in delay or additional expense to Seller, the parties will agree to an equitable adjustment of price and delivery schedule

9. Warranties.

(a) Seller warrants to Buyer that all Goods will: (i) be free from any defects in workmanship, material and design; (ii) conform to applicable specifications, drawings, designs, samples and other requirements specified by Buyer; (iii) be fit for their intended purpose and operate as intended; (iv) be merchantable; (v) be free and clear of all liens, security interests or other encumbrances; and (vi) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by Buyer;

(b) Seller warrants to Buyer that it shall perform the Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement; and

(c) the warranties set forth in this Section are cumulative and in addition to any other warranty provided by law or equity. If Buyer gives Seller notice of noncompliance pursuant to this Section, Seller shall, at its own cost and expense, promptly (i) replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of repaired or replacement Goods to Buyer, and, if applicable, (ii) repair or re-perform the applicable Services.

10. General Indemnification. Seller shall defend, indemnify and hold harmless Buyer and its affiliated companies and its and their subsidiaries, affiliates, successors or assigns and respective directors, officers, shareholders and employees (collectively, "**Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification (collectively, "**Losses**") arising out of or occurring in connection with the manufacture or delivery of Goods and or any defects in the Goods or Services purchased from Seller or Seller's negligence,

willful misconduct or breach of the Terms. Seller shall not enter into any settlement without Buyer's prior written consent.

11. Intellectual Property Indemnification. Seller shall, at its expense, defend, indemnify and hold harmless Buyer and any Indemnitee against any and all Losses arising out of or in connection with any claim that Buyer's or Indemnitee's use or possession of the Goods or use of the Services infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Seller enter into any settlement without Buyer's or Indemnitee's prior written consent.

12. Insurance. During the term of this Agreement and for a period of three (3) years thereafter, Seller shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to, commercial general liability (including product liability) in a sum no less than \$5,000,000 with financially sound and reputable insurers. Upon Buyer's request, Seller shall provide Buyer with a certificate of insurance from Seller's insurer evidencing the insurance coverage specified in these Terms. The certificate of insurance shall name Buyer as an additional insured. Except where prohibited by law, Seller shall require its insurer to waive all rights of subrogation against Seller's insurers and Seller.

13. Compliance with Laws. Seller shall comply with all applicable laws, regulations and ordinances. Seller shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement. Seller shall comply with all export and import laws of all countries involved in the sale of the Goods under this Agreement or any resale of the Goods by Seller. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. Buyer may terminate this Agreement if any governmental authority imposes antidumping or countervailing duties or any other penalties on Goods.

14. Chemical Substances: Notwithstanding anything to the contrary hereafter represented by either party to the other, Seller warrants that each and every chemical substance sold or otherwise transferred by Seller to Buyer as of the time of such sale or transfer that is required or permitted to be reported for the inventory of chemical substances (409 CFR Part 710) has been reported to EPA either by Seller or by others for incorporation in the inventory of chemical substances compiled and published by the administrator of the Environmental Protection Agency pursuant to the Federal Toxic substances Control Act (PL 94-469).

15. Conflict Minerals. If Seller is providing Goods to Buyer, Seller agrees to review and comply with Buyer's conflict minerals policy and to use commercially reasonable efforts to: (a) identify whether such goods contain tantalum, tin, tungsten or gold; (b) conduct a reasonable country of origin inquiry regarding the origin of such minerals in such goods to determine whether such minerals originated in covered countries, as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act; (c) if such minerals originated in covered countries, conduct due diligence on the chain of custody of the source of such minerals for the purpose of identifying the smelter of said materials; and (d) assist Buyer in conducting reasonable due diligence concerning the smelters of such minerals. Seller shall include the substance of this Section in any agreement between Seller and its suppliers and provide Buyer with reasonable documentation of Seller's and its lower tier suppliers due diligence efforts, in a format prescribed by Buyer, when requested by Buyer.

16. Hazardous Materials. Seller shall notify Buyer of any inherent hazard related to any materials which could be exposed during handling, transportation, storage, use, resale, disposal or scrap. Said notice shall be sent to the Buyer's Director of Supply Chain Management and shall specify the product name and part number, the nature of the hazard, proper precautions that must be undertaken by Buyer or others to protect against the hazard, and any additional information necessary to protect its interest

17. Substance of Very High Concern. To the extent applicable, Seller certifies that any Goods being sold pursuant to this Purchase Order are not articles which contain any substance at a concentration exceeding 0.1% weight by weight which is regulated or is on the Candidate List to be regulated as a substance of very high concern (SVHC) under the European Community's Restriction of Certain Hazardous

Substances (RoHS) Directive. If any Goods are articles containing an SVHC exceeding this concentration, Seller shall provide (1) information that allows the article to be identified (including picture and characteristics), (2) the name, concentration range and location of each SVHC in the article, and (3) instructions on the safe use of the article. Seller shall update this certification and provide such information as new substances are added to the Candidate List or the RoHS Directive in the future.

18. Termination for Default. In addition to any remedies that may be provided under these Terms, Buyer may terminate this Agreement with immediate effect upon written notice to the Seller, either before or after the acceptance of the Goods or the seller's delivery of the Services, if Seller has not performed or complied with any of these Terms, in whole or in part. If the Seller 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, then the Buyer may terminate this Agreement upon written notice to Seller. If Buyer terminates the Agreement for any reason under this Section 18, Seller's sole and exclusive remedy is payment for the Goods received and accepted and Services accepted by Buyer prior to the termination.

19. Termination for Convenience. Buyer reserves the right to cancel a Purchase Order, or any part thereof, at any time, even though Seller is not in default hereunder, by giving written notice to the Seller in the event of such cancellation. Buyer shall pay for all Goods and Services delivered and completed and an equitable settlement shall be arrived at for the costs incurred by Seller for goods and materials in process not to exceed thirty (30) days average procurement by the Buyer over the previous ninety (90) days prior to notification.

20. Waiver. No waiver by Buyer of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Buyer. 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.

21. Confidential Information. All non-public, confidential or proprietary information of Buyer, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Agreement is confidential, shall remain the property of the Buyer, shall be used solely for the purpose of performing this Agreement and may not be disclosed or copied unless authorized in advance by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Seller at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

22. Buyer's Property: All tools, dies, jigs, patterns, equipment or material and other items purchased, furnished, charged to or paid for by Buyer and any replacement thereof, shall remain the property of Buyer. Such property shall be plainly marked to show it is the property of Buyer and shall be safely stored and maintained apart from other property held by Seller. Seller shall not substitute the property for Buyer's property and shall not use such property except in filling Buyer's orders. Seller shall hold such property at its own risk and upon Buyer's written request deliver the property to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted. Seller shall take all necessary measures to preserve Buyer's title to Buyer's property, free of all encumbrances. Buyer retains the right in addition to other rights provided by law, to enter Seller's premises and remove Buyer-owned property with or without a court order. Seller shall assume and shall indemnify Buyer against any and all liability for damages to property or injury to, or death of any persons which may arise from, may be incidental to the presence of, or may involve the use of Buyer-owned property whether such damage, injury or death is caused by defects in the property, negligence in the use thereof or otherwise.

23. Force Majeure. No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term

of this Agreement when and to the extent such party's (the "**Impacted Party**") failure or delay is caused by or results from the following force majeure events ("**Force Majeure Event(s)**"): (a) acts of God; (b) flood, fire, earthquake, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or action; and (e) embargoes or blockades in effect on or after the date of this Agreement. The Impacted Party shall give notice within two (2) days of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of thirty (30) days following written notice given by it under this Section 23, the other party may thereafter terminate this Agreement upon written notice.

24. Assignment. Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under this Agreement without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section shall be null and void. Buyer may at any time assign or transfer any or all of its rights or obligations under this Agreement without Seller's prior written consent to any affiliate or to any person acquiring all or substantially all of Buyer's assets.

25. 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.

26. 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 this Agreement.

27. Governing Law; Jurisdiction. All matters arising out of or relating to this Agreement are governed by and construed in accordance with the internal laws of the State of North Carolina 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 North Carolina. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of North Carolina in each case located in the City of Charlotte, North Carolina, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

28. 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.

29. Survival. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Agreement including, but not limited to, the following provisions: Insurance, Compliance with Laws, Confidential Information, Governing Law, Submission to Jurisdiction and Survival.

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