

## BEAVER AEROSPACE & DEFENSE'S TERMS & CONDITIONS OF PURCHASE

1. **ACCEPTANCE** – This Purchase Order (“Order” or “agreement”) is an offer and may be accepted by: i) Seller’s promptly mailing to Buyer its written acceptance within 10 days of the Order’s date; or ii) commencement of performance by Seller. Acceptance is limited exclusively to the express terms and conditions of this Order. Any new, additional, different, or inconsistent terms or conditions in any form of acknowledgment, acceptance, or confirmation used by Seller or otherwise proposed by Seller, shall be considered nonconforming terms that are not acceptable and expressly rejected by Buyer, unless specifically agreed to in a separate written instrument signed by an authorized representative of Buyer after the date of this Order. This Order, with any attachments, constitutes the entire agreement of the parties. No waiver or modification or additions to the terms of this Order shall be valid unless in writing and signed by the parties after the date of this Order.
2. **WARRANTIES** – Seller warrants the goods supplied and/or work performed pursuant to this Order shall be in merchantable condition and shall be free from defects in workmanship and materials and shall be in conformity with the specifications, drawings, samples and descriptions attached hereto, referred to on the face hereof or furnished by Buyer, if any. Seller warrants that the goods covered by this Order shall be fit for such particular purposes and uses, if any, as specified by Buyer or otherwise known to Seller. Seller warrants that the goods shall be free and clear of any lien or other adverse claim against title, and to the extent not manufactured to detailed designs furnished by Buyer shall be free from defects in design and claims of infringement. All warranties contained herein shall survive inspection, test and acceptance by Buyer. Seller agrees, at its own costs and expense, to defend and hold Buyer harmless from and against any and all claims made against Buyer based upon, relating to, or arising out of any claimed defects in the goods or services ordered hereunder or Seller’s breach of any warranties made in this Section. Seller’s warranties (and any consumer warranties, service policies or similar undertakings of Seller) shall be enforceable by Buyer’s customers and any subsequent owner or operator of the goods as well as Buyer. Except as otherwise expressly provided in this agreement, all terms used in this agreement and which are defined in the State of Michigan Uniform Commercial Code shall have the meanings stated in the Code. Buyer shall be entitled to all direct and incidental damages resulting from a breach of this agreement by Seller, including, but not limited to, reasonable expenses incurred in inspection, receipt, transportation, and storage of rightfully rejected goods, expenses or commission incurred in effecting cover, and any other commercially reasonable charges incident to a delay or breach by Seller. Buyer shall also be entitled to consequential damages resulting from a breach by Seller for any loss resulting from the general or particular needs and requirements of Buyer of which Seller is aware at the time the agreement is executed, and that cannot reasonably be prevented by cover, and damages sustained by Buyer from any injury to person or property caused by a breach of warranty by Seller. These warranties shall be in addition to all other warranties, express, implied or statutory. Payment for, inspection of, or receipt of articles or services shall not constitute a waiver of any breach of warranty.
3. **INSPECTION AND TESTS** - All goods ordered hereunder will be subject to inspection and test by Buyer to the extent practicable at all times and places, including during manufacturing or prior to acceptance. Seller agrees to permit access to Seller’s facilities at all reasonable times for inspection of goods by Buyer’s agents or employees and will provide all tools, facilities and assistance reasonably necessary for such inspection at no additional cost to Buyer. Such goods will be subject to final inspection and acceptance by Buyer after delivery to Buyer. It is expressly agreed that inspections and/or payments prior to delivery will not constitute final acceptance. Payment for nonconforming goods shall not constitute an acceptance, or impair, limit or otherwise restrict Buyer’s right to claim any legal or equitable right, nor shall it relieve Seller of any responsibility or liability for defects or breach of warranty that are discovered after delivery, payment or acceptance. If the goods delivered do not meet the specifications or otherwise do not conform with the requirements of this Order, Buyer shall have the right to reject such goods. At Buyer’s discretion, rejected material will be held for Seller’s instruction and at Seller’s risk and shall be returned in whole or in part, at Seller’s expense, for credit or refund at Buyer’s option. No returned material shall be replaced without a prior authorization from Buyer. Buyer shall have the right to use nonconforming material in the manner it deems necessary to meet Buyer’s contractual obligations to its customers, without waiving any right or remedy that Buyer may have with respect to the material.
4. **BUYER’S PROPERTY** – Title to and the right of immediate possession of any property, including without limitation, patterns, tools, jigs, dies, equipment or material furnished or paid for by Buyer (“Buyer’s Property”) shall remain in Buyer. No articles made therefrom shall be furnished by Seller to any other party without Buyer’s prior written consent. Seller shall keep adequate records of such property which shall be made available to Buyer upon request, and shall store, protect, preserve, repair and maintain such Buyer’s Property in accordance with sound industrial practice, all at Seller’s expense. Unless otherwise agreed to by Buyer, Seller shall insure Buyer’s Property against loss or damage by reason of fire (including extended coverage), riot or civil commotion. Copies of certificates of such insurance will be furnished to Buyer on demand. Seller affirmatively waives any lien, whether based in statute or common law that Seller might otherwise have on any Buyer’s Property and assumes all risk of loss, destruction or damages of Buyer’s Property while in Seller’s possession, custody or control. Seller shall not use Buyer’s Property other than in performance of this agreement without Buyer’s prior written consent. As directed by Buyer, upon completion, expiration, termination or cancellation of this agreement, Seller shall deliver Buyer’s Property to Buyer in good condition subject to ordinary wear and tear.
5. **DRAWINGS AND DATA** – Seller shall keep confidential all information, drawings, specifications, or data furnished by Buyer, or prepared by Seller specifically in connection with the performance of this Order (collectively Buyer’s Drawings and Data), and shall not divulge or use such information, drawings, specifications or data for the benefit of any other party, except as required for the efficient performance of this Order. Seller shall not make copies or permit copies to be made without the prior written consent of Buyer. Seller shall not use, either directly or indirectly, any such data or any information derived therefrom for any purpose other than to perform this Order without obtaining Buyer’s written consent. Buyer’s Drawings and Data is Proprietary Information and Materials (defined below) and subject to the same confidentiality and protection obligations as all other Proprietary Information and Materials. Upon Buyer’s demand, Seller shall return to Buyer all Buyer’s Drawings and Data including all copies.
6. **TERMINATION** – Buyer may terminate for any reason, with or without cause, the performance of the work under this Order in whole, or in part, at any time, by written notice to Seller. Upon receipt of such notice, Seller shall, unless the notice directs otherwise, immediately discontinue all work and the placing of all orders for materials, facilities and supplies in connection with the performance of the order and shall proceed to cancel promptly all existing orders and terminate all subcontracts insofar as such orders or subcontracts are chargeable to this Order. Upon the termination of work under this Order, Buyer shall pay to Seller the following amounts, without duplication, and as full and complete settlement of all claims that Seller may have resulting from termination: a) the Order price for all goods or services that have been completed and delivered in conformance with the Order and not previously paid for, and b) the actual and reasonable costs of work-in-process and raw materials incurred by Seller that were previously authorized by Buyer, less, the sum of the reasonable value or costs (whichever is higher) of any goods or materials used or sold by Seller with Buyer’s written consent, and the cost of any damaged or destroyed goods or materials. Buyer will not make payment for finished goods, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized or necessary to meet the then existing delivery schedules nor for any undelivered goods that are in Seller’s standard stock or that are readily marketable. Seller will not be paid for any work performed or costs incurred which reasonably could have been avoided. Buyer’s maximum liability for payments pursuant to this paragraph shall not exceed the total of all required payments under the Order minus those actually made. Any claim resulting from termination must be submitted by Seller within 30 days of the date of the notice of termination and must be supported by cost data in form and detail that may reasonably be required by Buyer. If the goods or work supplied are for ultimate use by the federal or state government or any political subdivision or government agency, and Buyer terminates this Order as a result of the cancellation or termination of an order to Buyer, then Seller agrees to accept Seller’s prorated share of the amount that Buyer is able to obtain from its customer, for canceling or terminating the order, as a full and final settlement of amounts due Seller for the termination. Buyer shall have the right to audit the relevant books and records, facilities, work, material, inventories and other items relating to Seller’s termination claim under this paragraph. This paragraph states Seller’s exclusive rights against Buyer and Buyer’s total obligations to Seller with respect to any termination of this Order without cause, and Buyer’s obligations contained in this paragraph shall not apply in the case of a cancellation or termination resulting from a breach by Seller. Nothing contained in this paragraph shall be construed to limit or affect any remedies, which Buyer may have as a result of a default or breach, by Seller.
7. **DEFAULT – CANCELLATION** – Buyer reserves the right, by written notice of default, to cancel this Order, without liability to Buyer, in the event of the happening of any of the following: insolvency of Seller, the filing of a voluntary or an involuntary petition to have Seller declared bankrupt, the appointment of a Receiver or Trustee for Seller, or the execution by Seller of an assignment for the benefit of

- creditors. If Seller fails to perform as specified herein, or if Seller breaches any of the terms hereof, Buyer reserves the right, without any liability to Seller, upon giving Seller written notice, to (i) cancel this Order in whole or in part, and recover all damages, losses and liability incurred by Buyer directly or indirectly resulting from Seller's breach, or (ii) obtain the goods ordered herein from another source with any excess cost resulting therefrom, chargeable to Seller. The remedies herein provided shall be cumulative and in addition to any other remedies provided at law or in equity.
8. **FORCE MAJEURE** – Buyer shall not be liable to Seller for any loss incurred by Seller due to strikes, riots, storms, fires, explosions, acts of God, war, embargo, acts of terrorism or public enemy, government boycott or other governmental action or any other causes similar thereto beyond the reasonable control Buyer. Any failure or delay in performance of any of the foregoing shall not be a default hereunder.
  9. **GOVERNMENT CONTRACTS** – If it is indicated on the face hereof or Seller is otherwise informed that this Order is placed, directly or indirectly, under a contract of the United States Government or any State or other governmental authority, then all terms and conditions required by law, regulation or by the Government Contract with respect to this Order are incorporated herein by reference. To the extent that the terms and conditions of this Order are inconsistent with any such required terms and conditions, then the required terms and conditions shall prevail and be binding on both Buyer and Seller. Seller agrees, upon request, to furnish Buyer with a certificate or certificates in such form as Buyer may require certifying that Seller is in compliance with all such terms and conditions as well as any applicable law or regulation. Upon request, Buyer will make available to Seller copies of all pertinent terms and conditions required by any such Government Contract. The parties hereby incorporate the requirements of 41 C.F.R. §§ 60-1.4(a)(7), 60-250.5 and/or 60-300.5, 60-741.5, EO 13496, if applicable.
  10. **EQUAL OPPORTUNITY** – The parties shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a) and 29 CFR Section Part 471, Appendix A to Subpart A, if applicable. 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, or national origin. 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, national origin, protected veteran status or disability.
  11. **PACKING AND SHIPPING REQUIREMENTS** – Deliveries shall be made as specified by Buyer without charge for boxing, crating, cartage, or storage unless otherwise specified, and articles must be suitably packed and consolidated to secure lowest transportation cost and shipped via Beaver Aerospace & Defense Specified Carrier. If Seller uses a carrier other than Beaver Aerospace & Defense Specified Carrier, risk of loss will remain with Seller until the goods arrive at Buyer's facility and Buyer reserves the right to deduct any amounts due to Seller in excess of what would have been charged by the Specified Carrier. Articles shall be described on Bills of Lading in accordance with current Motor Freight or Uniform Freight Classification, whichever is applicable. Beaver Aerospace & Defense order numbers and symbols must be plainly marked on all invoices, packages, Bills of Lading and shipping orders. Packing lists must accompany each box or package shipment. Beaver Aerospace & Defense's count or weight shall be final and conclusive for shipments not accompanied by packing lists.
  12. **PAYMENT OF TRANSPORTATION CHARGES** – Buyer must be notified prior to shipment if the specified carrier is changed and/or additional charges are applied. All charges not authorized prior to shipment will be debited against Seller's final invoice.
  13. **INDEMNIFICATION BY SELLER** – Seller shall defend and indemnify Buyer, upon demand, against all claims, actions, liability, damage, loss and expense (including investigative expense and attorney's fees incurred in litigation or because of threatened litigation) as a result of Buyer's purchase and/or use of the goods and arising or alleged to arise from patent, trademark or copyright infringement; unfair competition; the failure or alleged failure of the goods to comply with specifications or with any express or implied warranties made by Seller; the alleged violation by such goods, or in its manufacture or sale, of any statute, ordinance, or administrative order, rule or regulation; defects, whether latent or, in material or workmanship; defective design; defective warnings or instructions; Seller's negligence; or Seller's breach of any of its obligations under this agreement.
  14. **GOVERNING LAW** – The transaction reflected by this Order shall be governed by and interpreted and construed in accordance with the laws of the State of Michigan. The provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflicts-of-laws provisions that would require application of another choice of law, are excluded. Any action hereunder shall be subject to the exclusive jurisdiction of the state and federal courts sitting in Wayne County, State of Michigan.
  15. **INSTALLATION** – If this Order covers the installation of Seller's products on Buyer's premises or on the premises of Buyer's customers, or other work on Buyer's or Buyer's customer's premises, Seller shall indemnify, defend, and hold Buyer harmless from all demands, claims, suits, liabilities, damages, judgments, costs, and expenses, including attorney fees, with respect to any injury or death of any person, or property damage arising out of such work by Seller, its subcontractors, and the employees, agents, or representatives of any of them. Seller shall furnish to Buyer, on demand, an insurance carrier's certificate showing that Seller has worker's compensation, public liability, and property damage insurance with coverages and limits satisfactory to Buyer.
  16. **ASSIGNMENT** – Seller may not delegate its duties nor assign its obligations without the prior written consent of Buyer.
  17. **BINDING EFFECT** – The agreement evidenced by this Order shall be binding on and inure to the benefit of Buyer and Seller and their respective heirs, successors, or assigns.
  18. **MODIFICATION OF UNCONSCIONABLE CLAUSE** – If any clause of this agreement is held to be unconscionable, illegal or invalid by any court of competent jurisdiction, the clause in question shall, at the option of the party against whom the same is asserted, not affect the remaining parts of the agreement but the agreement shall be construed or enforced as if that unconscionable, illegal or invalid clause had never been inserted.
  19. **CORRESPONDENCE** – All confirming orders, invoices, sales acknowledgments and general correspondence must be directed to: Beaver Aerospace & Defense, Inc., 11850 Mayfield, Livonia, MI 48150.
  20. **CONFIDENTIALITY** – Seller shall each keep confidential and protect from unauthorized use and disclosure all (i) Buyer-provided confidential proprietary and/or trade secret information, including Buyer-provided specifications and Buyer-provided information pertaining to Buyer's business, plans, and products (including, but not limited to, information and materials contained in technical data, pricing information, customers, and shipping policies) or pertaining to qualification, certification, manufacturing, and/or quality testing and procedures; (ii) Buyer-provided tangible items and software containing, conveying or embodying such information; and (iii) the tooling identified as being subject to this Section that is furnished by, or paid for in whole or in part by, Buyer (collectively referred to as "Proprietary Information and Materials"). Seller shall not use for itself or on behalf of any third party, nor disclose to any third party, any such Proprietary Information and Materials which is disclosed to it by Buyer, without written authorization from Buyer. Seller shall use Proprietary Information and Materials only in the performance of and for the purpose of this agreement. Seller will take every reasonable precaution to protect the confidentiality of such information consistent with the efforts exercised by it with respect to its own confidential information. Upon Buyer's request at any time, and in any event upon the completion, termination or cancellation of this agreement, Seller shall return to Buyer all of Buyer's Proprietary Information and Materials and all materials derived therefrom, unless specifically directed otherwise in writing by Buyer. Seller shall not at any time (i) dispose of (as scrap or otherwise) any goods, parts or other materials containing, conveying, embodying or made in accordance with or by reference to any Proprietary Information and Materials of Buyer without the prior written authorization of Buyer or (ii) make, use, or sell any goods, parts or other materials containing, conveying, embodying or made in accordance with or by reference to any Proprietary Information and Materials of Buyer without notifying Buyer in writing before any such planned making, using, or selling activity and executing an agreement between the parties requiring payment by Seller of a reasonable license fee to Buyer as consideration for each use of such Proprietary Information and Materials of Buyer. Seller may disclose Proprietary Information and Materials to its subcontractors as required for Seller to perform under of this agreement provided that each such subcontractor first agrees in writing to obligations no less restrictive than those imposed upon Seller under this Section. Seller shall be liable to Buyer for any breach of such obligation by such subcontractor. This provision shall survive expiration, completion, termination or cancellation of this Agreement.
  21. **RIGHT OF ENTRY** – Buyer and/or its authorized representatives of their customer and regulatory agencies shall have the right to enter Seller's plant at all reasonable times to conduct preliminary inspections and tests of the products and work-in process, to determine and verify the quality of contracted work, records and material. The Seller shall include in its major contracts issued in connection with an order a like provision giving the Buyer the right to enter the plants of Seller's subcontractors.

## 22. INTELLECTUAL PROPERTY

- a. Intellectual Property ("IP") - IP means inventions, discoveries and improvements; know-how; technical data, drawings, specifications, process information, reports and documented information; and computer software. IP includes all worldwide common law and statutory rights to the foregoing, including but not limited to, patents, industrial designs, trade secrets, copyrights, mask work registrations, and the like.
  - b. Background IP - Seller shall retain ownership of all IP owned or developed by Seller prior to the effective date of or outside the scope of this agreement ("Background IP"). Seller grants to Buyer an irrevocable, nonexclusive, sub-licensable, perpetual, paid-up, royalty-free, worldwide license (i) to use, reproduce, distribute, modify, and prepare derivative works of such Background IP and (ii) to use, make, have made, offer for sale, sell, distribute and import products and services that incorporate or embody such Background IP, in each case solely as necessary for the purpose of exploiting Buyer's rights in the goods or Foreground IP. Seller grants to Buyer such license rights for any purpose in the event Buyer terminates or cancels all or part of this Contract for any reason.
  - c. Employee Agreements – Seller shall obtain agreements with its personnel to enable the grant of rights to which Buyer is entitled under this Section.
  - d. Third Party IP – To the extent Seller incorporates third-party IP into any contract deliverable, Seller shall obtain for Buyer at least the license rights granted in paragraph b of this Section in such third-party IP, at no additional cost to Buyer.
  - e. Foreground IP – All IP conceived, developed, or first reduced to practice by, for, or with Seller, either alone or with others, in performance of this agreement (collectively, "Foreground IP") shall be the exclusive property of Buyer. To the extent Foreground IP consists of works of authorship, such works shall be works made for hire with the copyrights vesting in Buyer. Seller hereby transfers, conveys, and assigns all right, title and interest in such Foreground IP free of charge to Buyer. Seller hereby irrevocably transfers, conveys, and assigns all right, title and interest in any other Foreground IP not considered a work made for hire free of charge to Buyer. Foreground IP is considered Proprietary Information and Materials and subject to the same confidentiality obligations and protections as any other Proprietary Information and Materials.
  - f. Seller will, within two months after conception or first actual reduction to practice of any invention and prior to agreement completion, disclose in writing to Buyer all inventions, whether or not patentable, in sufficient technical detail to clearly convey the invention to one skilled in the art to which the invention pertains. Seller shall promptly execute all written instruments, and assist as Buyer reasonably directs in order to file, acquire, prosecute, maintain, enforce and assign Buyer's Foreground IP rights. Seller hereby irrevocably appoints Buyer and any of Buyer's officers and agents as Seller's attorney in fact to act on Seller's behalf and instead of Seller, with the same legal force and effect as if executed by Seller, with respect to executing any such written instruments.
  - g. Buyer grants to Seller a non-exclusive, royalty-free right during the term of this agreement to use, reproduce, modify, practice and prepare derivative works of any Foreground IP solely as necessary for Seller to perform its obligations under this agreement. Seller shall not, without Buyer's prior written consent, use Foreground IP or such derivative works in any manner not authorized under this agreement, including, but not limited to, developing, manufacturing, obtaining a certification to manufacture, offering for sale or selling any product, equipment, or service which utilizes or is enabled by Foreground IP.
23. LIMITATION ON LIABILITY - IN NO EVENT SHALL BUYER BE LIABLE TO SELLER OR ANY THIRD PARTY FOR LOST PROFITS, CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES REGARDLESS OF THE BASIS, NATURE OR TYPE OF CLAIM ASSERTED BY SELLER.
24. ENVIRONMENTAL COMPLIANCE – Buyer encourages its partners, suppliers, and vendors to comply with the code of conduct set by the Electronics Industry Citizenship Coalition (EICC), which can be found at [http://www.eicc.info/eicc\\_code.shtml](http://www.eicc.info/eicc_code.shtml).