

Standard Terms and Conditions of Purchase

1. **Identification:** These "Standard Purchase Order Terms and Conditions" apply to the purchase order which they accompany or to which they are attached (the "Order," and together with these Standard Purchase Order Terms and Conditions, this "Contract"). As used herein, Precipart Corporation and/or Precipart SA is known as the "Buyer" and the company to whom the Order is addressed is known as the "Seller". "Goods" shall mean those goods and/or related services ordered by Buyer from Seller pursuant to the Order.

2. **Terms of Contract:** The sale and shipment by the Seller of the Goods shall be subject to these terms and conditions. The Contract shall not be subject to any other terms whatsoever, except as may be specifically accepted by Buyer in writing. Submission of different, conflicting or additional terms by the Seller followed by performance by the Buyer shall in no event be deemed an acceptance by the Buyer of such different, conflicting or additional terms and any such different, conflicting or additional terms are hereby expressly rejected and are void.

3. **Payment Terms:** Unless otherwise specified on the Order, payment is due sixty (60) days after Buyer's receipt of Seller's invoice or delivery of goods to Buyer, whichever occurs later. Seller's invoice shall not be issued before shipment of the Goods. Payment does not constitute final acceptance. Buyer may offset against any payment hereunder any amount owed to Buyer by Seller. Buyer may reasonably adjust prices because of circumstances which could not have been reasonably foreseen by Buyer (including but not limited to fluctuation of market conditions, raw material price fluctuations, changes in subcontractor prices, and/or currency fluctuations).

4. **Shipment Terms:** Unless otherwise specified on the Order, shipment will be DDP INCOTERMS Buyer's place of business for all Goods. Title to and risk of loss for nonconforming Goods shall remain with Seller.

5. **Errors and Omission:** Stenographic and clerical errors are subject to correction.

6. **Cancellation:** Orders may be cancelled or deliveries deferred by the Buyer for any reason. The Buyer assumes responsibility for work already completed, and for any materials ordered or unreturnable, subject to the provisions of paragraph 8, below. If cancellation is due to untimely or prior performance by Seller, then there will be no cancellation charges.

7. **Quantities:** The Seller shall provide exact ordered quantities, unless mutually agreed upon. Buyer shall have no duty to accept deliveries where quantities vary from the terms hereof. Until such time as Seller has completed the manufacture or shipped the total ordered quantity, Buyer shall have the option to increase the quantity of any Order on the same terms and lesser per unit price, but subject to reasonable adjustment of the delivery schedule to allow for increased manufacturing time.

8. **Advanced Manufacturing Limitation:** Unless otherwise specified on the Order, the Buyer shall not under any circumstances be responsible for any costs incurred by the Seller for any product inventory acquired, in-process (WIP), or manufactured by Seller in excess of the Order. Costs incurred by the Seller for all such materials or inventories exceeding this period shall be at the Seller's risk. This limitation shall also apply when customer approval of pre-production samples is required (i.e. PAPP, Validation).

9. **Restriction of Goods or Related Goods:** It is hereby agreed that Seller will not solicit or attempt to solicit any business from Buyer's customers, including actively sought prospective customers, for the purpose of providing products or services competitive with those provided by Buyer.

It is furthermore hereby agreed that Seller shall not supply products or services to the customers of Buyer, unless Buyer grants explicit written approval for particular cases. If Seller already works or has worked together with one of the customers named by Buyer, a separate agreement will be found between Buyer and Seller.

If the foregoing is violated, penalties, costs and expenses shall be assessed.

10. **Non-Solicitation of Buyer Employees:** Seller will not, directly or through others, for Seller's own benefit or account or for the benefit or account of a competitor or any other person or entity, solicit, recruit, encourage or knowingly induce any employee of Buyer to leave the employment of Buyer or to apply for or accept employment or retention with any person or entity other than Buyer, or assist a competitor of Buyer in hiring or engaging or soliciting for employment or any other engagement an employee of Buyer.

11. **Amendments:** Buyer may at any time, without notice to Seller, make changes within the general scope of the Order in any one or more of the following: (i) drawings, designs or specifications; (ii) method of shipping or packing; (iii) place of inspection, acceptance or point of delivery; and/or (iv) delivery schedule. Should any such change(s) increase or decrease the cost of, or the time required for, performance of the Order, an equitable adjustment may be requested by Seller or Buyer in the price, delivery schedule, or both. No such adjustment will be valid unless submitted to Buyer within five (5) days from date of such change(s). The claim should be accompanied by an estimate of charges for redundant material, WIP, or both. Nothing contained in this clause shall relieve Seller from proceeding without delay in the performance of the Order as changed.

12. **Deliveries and Schedules:** Goods will be delivered in accordance with the delivery schedule specified in the Order. This schedule will be interpreted to include a window of acceptability beginning 6 days prior to the delivery date and ending on the date scheduled, time being of the essence. Deliveries made after the scheduled date shall be in material breach of the Contract. It is the Seller's responsibility to allow for known schedule interruptions such as, but not limited to, Seller's vacations, labor negotiations or raw material shortages. Unless the delay is caused solely by Buyer, Seller shall pay any additional and/or premium freight charges to meet the delivery schedule. If Seller is late in performing any portion of the Contract through no fault of Buyer, Buyer may: (i) insist on performance by Seller of the balance of the Contract plus monetary damages to be paid by Seller that were caused by such delay in performance, including consequential damages; or (ii) terminate the Contract and require immediate compensation from Seller for the damages sustained by Buyer by reason of Seller's delay in performance, including consequential damages; plus Buyer's early termination of the Contract.

13. **Documentation:** When specified on the Order, the Seller will provide the required quality or production documentation. Every delivery must be accompanied by a delivery note stating Buyer's order number, article number and quantity. Sample Inspection Reports, PPAP Elements, Statistical Process Control (SPC) data, inspection/test results and material/heat treatment/surface treatment certificates are examples of the type of documentation that must be provided when required on the Order. Unless otherwise specified, these documents will accompany the shipment of parts, and (when feasible) will be inserted in a protective cover in the same container. Seller agrees to all requirements including to provide all PPAP requirements.

14. **Manufacture of Product:** Unless otherwise specified on the Order, the Seller will produce the product in its own facility. No portion of the Contract shall be subcontracted without the Buyer's prior express written authorization. In cases where Buyer allows specialized, but limited, secondary operations to be performed by a subcontractor, the Seller remains completely responsible for the performance of the subcontractor and to meet the requirements of the Order. Any toolings used and paid for, whether in full or in participation, by Buyer, for the performance of the order shall become the property of the Buyer. Any such tooling can be reclaimed by Buyer at any time and at Buyer's sole discretion. Unless specifically stated otherwise in the Order, the Buyer's authorization to the Seller to subcontract any part of the Contract shall in no event be construed as a release of liability or waiver of rights by Buyer as to Seller. Seller shall be responsible for ensuring conformity and compliance with Buyer's specifications of all parts or partial processes obtained by Seller from third party suppliers.

15. **Process Changes:** Seller shall not make any change to the product, process, materials, formulation, packaging, labeling, software, environmental conditions, quality assurance process, equipment, production location, or subcontractor(s) that in any way affect the finished Goods, without prior written notification to, and approval by, Buyer.

16. **Product Inspection and Non-conformity:** The Buyer retains the right to inspect or test the Goods to determine whether the Goods or the delivery meet the requirements of the Order. If Buyer determines that the Goods or their quantity do not conform to the Order, the Buyer shall have all the remedies provided in paragraph 17 below, including (i) the option to revoke its acceptance of the Goods and/or rescind the Order, or (ii) to allow the Seller an opportunity to cure by replacing, repairing or submitting additional Goods at Seller's sole cost and expense. If replacing or repairing non-conforming Goods requires that parts be remarked, sorted, or otherwise tested or processed by any party, the Buyer may, at its option, charge back to the Seller or debit the Seller, these charges, plus expedited or standard freight and duty charges, all at a minimum amount of +5% above the Buyer's actual cost to cover overhead and handling expenses. Buyer may retain payment in whole or in part until such time as the seller has delivered perfect goods. Any parts

shipped from Buyer's facility have been certified to be free of nicks and dents. It is Seller's responsibility to inspect such parts at their facility prior to performing any operation and inform the Quality Manager at Buyer if nicks or dents are found. Parts received from Seller that are found to have issues that affect the tolerances or performance of the Goods e.g. nicks and dents, will be rejected and subjected to a rework charge and debit to Seller.

17. **Warranties:** Seller warrants that the Goods shall be merchantable, fit for their particular use, and conform to Buyer's specifications. All warranties shall inure to the benefit of Buyer, Buyer's customer and the purchaser of the end item. If the Goods are defective or non-conforming, Buyer may at its own discretion require: (i) replacement delivery of conforming Goods to be made at Seller's sole cost and expense; (ii) repairs to be effected free of charge by Seller or by Buyer backcharged to Seller, (iii) price reduction as reasonably determined by Buyer for the reduced value of the defective or non-conforming Goods; or (iv) termination of the Contract. In all four cases, Buyer may seek additional damages, including consequential damages as a result of product recalls or field failures. The costs of returned consignments will be paid by Seller. The warranty period is 24 months from the date of receipt of each lot of Goods by Buyer. Warranty claims will be time-barred six months after the expiration of the warranty period. If substitute deliveries are made or repairs effected, the warranty period will begin to run again. Notwithstanding the expiration of the warranty period or the time for making warranty claims, Seller will indemnify, hold harmless and defend at Seller's sole cost and expense Buyer against any third party claims, suits, actions, judgments, loss, damage or other liability against Buyer, including reasonable legal fees and expenses, arising out of or related to allegedly defective or non-conforming Goods that Seller supplied or otherwise caused or contributed to by any act, fault, or negligence of Seller or anyone acting on Seller's behalf.

18. **Patents:** For products designed by Seller, the Seller warrants that the Seller will not infringe on any patent, trade secret, trademark, trade name or other intellectual property right in the manufacture of the Goods, and will indemnify and hold harmless the Buyer from any losses, attorneys' fees and expenses associated with such an infringement claim brought by a third party covering the Goods. The samples, IP, drawings, specifications, etc. made available to Seller are the property of Buyer. They are to be used by the seller only in connection with the performance of orders placed by Buyer. Their disclosure to third parties or use for other purposes requires the written consent of Buyer.

19. **Packaging and Weight Requirements:** The Seller warrants that all Goods will be, at its sole cost and expense, packaged in a manner adequate to preserve and protect quality of Goods including, without limitation, protection against damage during transport and protection from corrosion during storage for a period of up to eighteen (18) months. The Seller further warrants and agrees that individual containers will not exceed 35 pounds (15.9Kg) unless specifically authorized by the Buyer in writing. Seller shall be liable to Buyer for any damages caused by inadequate, inappropriate or noncompliant packaging.

20. **Right of Entry:** Buyer, its customers and regulatory authorities reserve the right to enter Seller's facility upon advance notification for the sole purpose of confirming the activities related to the conformance of the requirements stated in the purchase orders.

21. **International Traffic in Arms Regulations (ITAR):** Technical data contained in Buyers Purchase Order may be subject to ITAR 22 CFR 120-130 or U.S. Export Administration Regulation (EAR) 15 parts 730-744 Diversion Contrary to U.S. Export Law is prohibited. It is the Seller's responsibility to adhere to these regulations.

22. **Foreign Object Debris (FOD) Prevention:** The Seller shall ensure that foreign objects cannot become entrapped or encapsulated in parts or materials.

23. **Counterfeit Parts Prevention Requirements (Reference AS 6174 Specification):**

A) The Seller shall ensure that only new and authentic materials are used in products delivered to the Buyer. The Seller shall only purchase parts from original equipment manufacturers (OEM) or authorized distributors of approved manufacturers.

B) The Seller shall notify the Buyer immediately in writing if they become aware or suspect that counterfeit product has been shipped to Precipart.

C) **Flow Down:** The Seller shall flow down the requirements of this provision to its sub-tier suppliers.

24. **The Seller hereby acknowledges the need to**

A) Implement a quality management system;

B) Use customer-designated or approved external providers, including process sources (e.g. special processes);

C) Notify the Buyer of non-conforming processes, products or services and obtain approval for their disposition;

D) Notify the Buyer of changes to processes, products or services, including changes of its external providers or location of manufacture, and obtain the Buyer's approval;

E) Flow down to external providers applicable requirements including customer requirements; and

F) Retain documented information, including retention periods and disposition requirements unless otherwise noted on the Purchase Order, are to be maintained for fifteen years from the date of the Purchase Order.

25. **The Seller also hereby acknowledges that it and all of its employees are aware of:**

A) Their contribution to product or service conformity;

B) Their contribution to product safety;

C) The importance of ethical behavior.

26. **Returnable Items:** Whenever Buyer is in possession of Goods it has not accepted, Buyer, at its sole discretion, shall have the option of shipping them back to the Seller at Seller's sole cost and expense. If liquidated, there will be a liquidation fee. All these actions may be taken by Buyer without waiver and with full reservation of rights.

27. **Claims:** All matters, claims, actions and proceedings, including validity and application and enforcement of the Contract, shall be governed by the laws of the State of New York, and Buyer and Seller hereby irrevocably consent to the exclusive venue and jurisdiction either in the Supreme Court of Nassau County or Suffolk County, or in the U.S. District Court for the Eastern District of New York. The parties hereby irrevocably waive their rights to a trial by jury in any such action or proceeding. If the delivery occurred or was too have occurred in Switzerland, exclusive venue and jurisdiction will be located in the courts of Bern, Switzerland, which will have jurisdiction over all legal disputes arising out of, or in connection with, the contract (including these general terms and conditions of purchase and delivery), including disputes concerning its valid completion, legal enforceability, amendment or termination. Buyer shall be entitled to recover its reasonable legal fees and expenses from Seller.

28. **Product Identification and Traceability:** The Seller shall label all Goods or packaging for such that the Buyer can identify both the part number and current revision status. Upon request, the Seller must be able demonstrate traceability of the finished product back through to the purchase of the raw material.

29. **Integration:** The Order and these Standard Purchase Order Terms and Conditions supersede all prior negotiations, representations, agreements, quotes and catalogues, whether written or oral, and shall not be modified, supplemented or interpreted by evidence of course of dealing, course of performance or usage of trade. To the extent the provisions hereof conflict with any prior or subsequent agreement of the parties, these Standard Purchase Order Terms and Conditions will control.

30. **Assignment:** Seller acknowledges that the Order and Contract may not be assigned or delegated, in whole or in part by Seller, without the prior written consent of Buyer. Seller's unauthorized attempt to assign or delegate any rights or obligations shall serve as grounds for termination of the Order and Contract, and, in any event, shall be void and not relieve Seller of its obligations under the Order and Contract.

31. **Severability:** The Parties agree that each and every paragraph, sentence, clause, term and provision of these Standard Purchase Order Terms and Conditions is severable and that, in the event any portion hereof is adjudged to be invalid or unenforceable, the remaining portions shall remain in full force and effect to the fullest extent permitted by law.

32. **Captions:** All captions contained in these Standard Purchase Order Terms and Conditions are for purpose of convenience only and shall not affect the construction of the Standard Purchase Order Terms and Conditions.

33. **Construction:** In the event of any ambiguity in the language of the Standard Purchase Order Terms and Conditions, there shall be no inference drawn in favor of or against either party, regardless of which party drafted the language alleged to be ambiguous.

34. **Survival:** Termination, cancellation or expiration of the Order or Contract for any reason shall not release either party from any liability or obligation: (i) that the parties have expressly agreed shall survive such termination, cancellation or expiration; (ii) which remain to be performed; or (iii) by their nature would be intended to be applicable following any such termination, cancellation or expiration.

35. **Counterparts:** The parties agree that copies of the Order and these Standard Purchase Order Terms and Conditions transmitted by email of a .pdf, .tiff, JPEG or similar file or otherwise electronically transmitted, whether sent to the other party or to such other party's counsel, shall be deemed to have the same force and effect as if manually delivered, and for all purposes whatsoever shall be deemed an original instrument.

36. **Cumulative Remedies Non-Waiver:** The Buyer's rights and remedies contained herein are cumulative and in addition to any other remedies at law or equity. The failure of Buyer in any one or more instance to insist upon the performance of any of the terms and conditions of the Contract or to exercise any right hereunder shall not be construed as a waiver or relinquishment of the future insistence or performance of any such terms and conditions or the future exercise of any such right.

37. **Limitations on Damages:** Buyer's liability and Seller's recovery, for any injuries, losses, damages, expenses, costs, or other liabilities arising out of any breach of the Contract by Buyer, or Buyer's other acts or omissions (including negligence) shall be limited to the lesser of (i) the actual and direct costs incurred by Seller for its manufacturing of the Goods prior to such breach or other acts or omissions, or (ii) the purchase price for the Order. In no event shall Buyer be liable to Seller for punitive, special, consequential, indirect, or incidental damages.

38. **Set Off:** All claims for money due or to become due from Buyer shall be subject to deduction or set off by the Buyer by reason of any counter-claims arising out of this or any other transaction with Seller.

39. **Anti-Dumping:** Seller Covenants that all sales made hereunder shall be made in circumstances that will not give rise to the imposition of new anti-dumping or countervailing duties under U.S. law (19 U.S.C. § 1671), EU Council Regulation (EC) No. 1225/2009 of November 30, 2009 and Commission Decision No. 2277/96/ECSC of November 28, 1996, or similar laws in such jurisdictions or the law of any other country to which the goods may be exported.

40. **Code of Conduct:** Buyer expects Supplier to acknowledge and abide by high ethical standards by conducting their business with honesty, integrity and in accordance with all applicable laws and regulations. Buyer's Supplier Code of Conduct, available at www.precipart.com, is incorporated by reference into these Standard Terms and Conditions of Purchase, and Seller agrees to adhere to all policies, principles and guidelines as enumerated therein.