

1. **DEFINITIONS:** The term "Buyer" shall mean BMT Aerospace USA, Inc. The entity to which the purchase order ("Order") is directed and issued is identified on the reverse side of this Order and shall be termed the "Seller." The terms "materials" shall also mean any and all services or related supplies, as applicable.

2. **ACCEPTANCE:** The Order shall become a binding agreement of Seller and Buyer upon Seller's commencement of work as to the materials or services which are the subject of the Order and shall be deemed an effective mode of acceptance of Buyer's offer to purchase under the terms and conditions herein. Any acceptance of the Order by Buyer is limited to acceptance of the express terms contained herein. Any reference in the Order to any Buyer offer to sell, quotation, or proposal is merely for convenience and shall in no way constitute a modification of any of the terms and conditions of this Order. Any attempted acknowledgement of the Order containing terms and conditions inconsistent with, or in addition to, the terms and conditions of the Order is hereby rejected and is not binding upon Buyer unless specifically accepted by Buyer in writing. In the event of any ambiguities, express conflicts or discrepancies in the specifications, drawings or other Contract Documents (as hereinafter defined) which are a part of this Order, Seller shall immediately submit the matter to Buyer for its determination and shall comply with the determination of Buyer in such matter. Seller's acceptance of this Order also constitutes acceptance of all terms and conditions between Buyer and the customer with which Buyer contracted ("Customer"), including all specifications, drawings or other descriptions of the work ("Contract Documents").

3. **HEADINGS:** All headings and numbering in the Order are for convenience of reference only and shall in no way be used in the interpretation of any of the provisions in the Order.

4. **CHANGES AND MODIFICATIONS:** No modification by Seller to the prices or any other detail of Buyer's Order, specifications, drawings, etc. or other Contract Documents are permitted without the prior approval of Buyer in writing. Buyer reserves the right to make changes in materials, drawings, specifications, time and place of delivery, method of transportation, or scope of services. To be enforceable, all changes must be by written change order, signed by an authorized representative of Buyer. All claims by Seller for any change or adjustment must be asserted within ten (10) days from the date the change is ordered by Buyer. Seller shall not suspend performance of the Order while Buyer and Seller are in the process of making changes and any related adjustments, and, upon direction in writing by Buyer, Seller shall comply with and perform such changes in accordance with the terms of the Order during such time.

5. **TITLE:** Seller warrants full and unrestricted title to Buyer, and/or Buyers Customer(s) where appropriate of any and all materials and services furnished by Seller under the Order that such materials and services are free and clear of any and all liens, restrictions, reservations, security interests, and encumbrances.

If Buyer makes progress payments to Seller under the Order, title to the materials ordered hereunder shall pass to Buyer at the time that Seller identifies the materials to the Order. Seller shall clearly identify the materials as property of Buyer by visible marking or tagging, and Buyer shall have the right, at Buyer's option, to inspect and verify that said materials have been identified as Buyer's property. Care, custody, and control of such materials remains with Seller until such time as Buyer takes actual physical possession of the materials.

6. **PRICES AND PAYMENT:** Unless otherwise expressly stated in the Order, all prices are firm and exclude all sales or use taxes and duties of any kind which either party is required to pay with respect to the sale of materials or services covered by the Order. Except as otherwise stated in the Order, Seller shall be paid only after Buyer is paid for work by Buyers Customers, and, upon submission of proper invoices, sworn statements, releases and waivers, at the prices stipulated for materials delivered and accepted. It is agreed that Buyer's receipt of payment is a condition precedent to Buyer's obligation to pay Seller. Buyer reserves the right to make payments due hereunder directly to suppliers of Seller whenever Buyer has reason to believe Seller has not paid or is likely not to pay such suppliers' amounts due on a timely basis. Payment terms are net thirty (30) days from receipt of necessary documentation, subject to any limitations as provided elsewhere in the Order. All prices quoted by Seller shall include all federal, state, and local taxes, including gross receipt taxes, which are the normal obligation of an employer.

7. **RIGHT TO INSPECT:** Buyer and its authorized representatives, including Buyers Customers, shall have the right, but not the obligation, to inspect materials to be furnished at all reasonable times and places before, during, and/or after delivery. Buyer is relying on Seller's skills and knowledge, and Buyer's making of or failure to make an inspection, examination or test of, or payment for, or Buyer's acceptance of materials, shall in no way relieve Seller from its obligation to conform to all of the requirements of the Order and shall in no way impair Buyer's right to reject or revoke acceptance of nonconforming materials, or to avail itself of any other remedies to which Buyer may be entitled, notwithstanding Buyer's

knowledge of the nonconformity, its substantiality or the ease of its discovery. Nothing contained herein shall relieve Seller from its obligation to perform full and adequate testing and inspection of the materials. Seller shall be responsible for the performance of all activities affecting quality and schedule, including those of its Subcontractors (hereinafter defined) or its suppliers.

Buyer reserves the right to review Seller's quality assurance and quality control procedures.

8. **RISK OF LOSS:** Deliveries shall be made F.O.B. Destination unless otherwise specified in the Order. Title and risk of loss of all materials and equipment shall pass to Buyer at F.O.B. point only after receipt, inspection and acceptance.

9. **TIME OF PERFORMANCE:** Time of performance is a material element of the Order and is essential to fulfillment of the obligations under the Order. In addition to any other remedies Buyer may have at law or in equity, Buyer may cancel the Order, in whole or in part, for Seller's failure to make one or more shipments or otherwise perform under the Order, on the date or dates requested by Buyer, or for Seller's inability to provide adequate assurance that Seller will make shipment or otherwise perform on such date or dates. During performance of the Order, if, in Buyer's opinion, Seller fails to perform the work with the diligence necessary to ensure timely completion, Buyer may order Seller to work overtime and/or increase manpower, equipment or other resources as necessary to maintain the agreed schedule. All costs associated with such adjustments under this Article 9 shall be without cost to Buyer.

10. **PATENT INDEMNITY:** Seller agrees, at its own expense, to defend any suit or action against Buyer or against those selling or using the materials or services covered by the Order for alleged infringement or patent or invention rights arising from the sale or use of such materials or services and to indemnify and save Buyer harmless from any damages, liabilities, claims, losses, and expenses (including reasonable attorneys' fees) paid or incurred by Buyer in connection with any such suit or action, whether against Buyer or against those selling or using the materials or services covered by the Order; provided, however, that the indemnity shall not apply to any such damages, liabilities, claims, losses or expenses arising out of compliance by Seller with designs furnished by Buyer. In case the item in such suit is found to infringe and the use thereof enjoined, Seller shall, at its own expense, either procure for Buyer the right to continue using it, or modify it so that it becomes non-infringing.

11. **WARRANTY:** Seller warrants that all materials and/or services provided by it: (i) shall be new and of good quality; (ii) shall conform to the specifications set forth in the Order, and all other specifications, drawings, Contract Documents, and all descriptions furnished, specified, or adopted by Buyer; (iii) shall be merchantable and suitable and sufficient for their intended purpose; (iv) shall be free of any claim of any third party; and (v) without in any manner limiting or qualifying the duration, extent or nature of the foregoing warranties, shall be free from defects in design, workmanship, and material for a period of twenty-four (24) months from the date of the commercial use of the work, which incorporates the materials and/or services purchased under the Order; and (vi) shall not compromise or infringe upon any patent or intellectual property rights of any third party. Materials repaired or replaced under this warranty shall be warranted for twelve (12) months from the date of such repair or replacement. None of the remedies available to Buyer for breach of any of the foregoing warranties may be limited except to the extent and in the manner agreed upon by Buyer in writing in a separate agreement specifically designating such limitation and signed by an authorized representative of Buyer. Buyer's inspection and/or payment for materials and/or services shall not constitute a waiver by it of any warranties. The above warranties are in addition to all other available warranties, express or implied, at law or equity, to which Buyer may avail itself.

12. **CONFIDENTIALITY AND BUYER'S PROPERTY:** Any specifications, designs, drawings, and all other information transmitted or otherwise provided by Buyer to Seller in connection with any quotation or the Order are proprietary and confidential and are the property of Buyer. Seller shall not, at any time, disclose or in any manner reveal such documents or information obtained from Buyer to any third party, nor reproduce, copy, or use such documents or information other than in the performance of the Order, without the express written consent of Buyer. Upon Buyer's request, on completion of the purpose for which such documentation or information was provided, all documents, information, and copies thereof shall be returned to Buyer. The obligations contained herein shall survive any cancellation, termination, or completion of any order placed pursuant to the Order. Seller agrees, at its expense, to maintain all (a) tangible and intangible property in its possession which belongs to Buyer in good condition and repair and adequately insured, and to indemnify Buyer for all damage or loss to such property and/or (b) all changes or loss incurred by Buyer as a result of Seller's misappropriation of such property.

13. **INDEMNITY:** Seller and its Subcontractor(s) (as hereinafter defined) shall secure, defend, protect, hold harmless and indemnify Buyer, Buyers Customer(s), and any of their respective agents, servants and employees against any liability, loss, claims, demands, suits, costs, attorney fees, costs and expenses whatsoever arising from bodily injury, sickness, disease (including death resulting therefrom), of any persons, or the damage or destruction of any property, including loss of use, arising out of or in connection with the performance of any work related to the Order, including extra work assigned based upon any act or omission, negligent or otherwise: (i) of Seller or any of its agents or servants, (ii) any Subcontractor, supplier or material man of Seller, or any agents, employees or servants thereof, (iii) or any other person or persons. The obligations of indemnification contained herein shall exclude only those matters in which a claim arises out of the allegations based on the sole negligence of Buyer, Buyers Customer(s) or any of their respective agents, servants and employees. The obligations shall apply to claims which sound either in tort or contract. The indemnity obligations herein shall be deemed to be modified as required to exclude indemnification that is expressly prohibited by applicable statute or law. All obligations of the Order shall otherwise be enforced to the extent permitted by law.

14. **SUSPENSION/TERMINATION/DEFAULT:**

14.1 **Suspension:** Buyer reserves the right, at any time and for any cause, to suspend further performance of all or part of the Order upon notice thereof to Seller. Such notice will contain the date the suspension is to commence and probable duration thereof. It is understood that if work is suspended in accordance herewith: (i) except to the extent suspension arises from any act, omission or default of Seller, Seller shall be reimbursed for its actual direct net costs and expenses incurred as a result of suspension, which shall be subject to audit by Buyer; (ii) Seller shall have no further claim against Buyer, Buyers Customers for damage or loss resulting from such suspension, including loss of profit or business opportunity, indirect, incidental, consequential or liquidated damages; (iii) Seller shall resume performance, upon ten (10) business days' written notice thereof by Buyer; and (iv) Seller shall properly care for, protect and insure all work in progress and materials, supplies and equipment Seller or its suppliers have on hand for performance of the Order.

14.2 **Convenience:** Buyer may terminate performance of all or part of the Order at any time, upon seventy-two (72) hours' written notice, for its convenience. Upon receipt of such notice, Seller shall stop all work on the terminated portion of the Order and place no additional Orders. Upon termination pursuant to this Article 14.2, Seller shall be entitled to compensation for work completed as of the termination date, plus actual direct costs incurred as a result of termination. Any reimbursement amount is subject to amounts previously paid to Seller, satisfactory documentation of Seller's costs and adherence to other instructions from Buyer.

14.3 **For Cause:** Buyer may, without any liability to Seller, terminate all or part of the Order upon the occurrence of any of the following: (i) failure to perform the work within the time specified in the Order, the Contract Documents, or any extensions thereof; or (ii) defective work uncorrected for an unreasonable time after notice thereof has been given to Seller; or (iii) a material breach of any of the terms of the Order, the Contract Documents or associated attachments which remains uncorrected for an unreasonable time after notice thereof has been given to Seller; or (iv) Seller's insolvency, bankruptcy, appointment of receiver, or other financial insecurity.

14.3.1 In the event of termination for cause, Buyer may complete the performance of the Order by such means as Buyer selects, and Seller shall be responsible for any additional costs incurred by Buyer in so doing. Seller shall deliver or assign to Buyer any work in progress as Buyer may request. Any amounts due Seller for materials and services provided by Seller in full compliance with the terms of the Order prior to such cancellation shall be subject to full setoff against Buyer's additional costs of completing the Order and other damages incurred by Buyer as a result of default. Waiver by Buyer of any default of Seller shall not be considered to be a waiver by Buyer of any provision of the Order or of any subsequent default by Seller. As an alternate remedy, and in lieu of termination for default, Buyer, at its sole discretion, may elect (i) to extend the delivery schedule, and/or (ii) to waive other deficiencies in Seller's performance, in which case there shall be an equitable reduction in the Order price. The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Order.

14.4 **Continuing Obligations to Perform:** In the event this Order stipulates liquidated damages for delay in delivery or performance, the payment of liquidated damages shall not release Seller from its obligation to continue and complete delivery or performance, nor shall it waive Buyer's right to declare Seller in default should Seller at any time fail to make good progress toward timely completion of the work. Should any limit on liquidated damages be met, Buyer shall have the

option to allow Seller to continue to attempt delivery or performance or to terminate the Order pursuant to this Article 14.

15. **FORCE MAJEURE:** Any failure of performance by either party shall not constitute a default hereunder or give rise to any claim for damages or otherwise to the extent caused by an act, event or occurrence beyond the reasonable control of, and not resulting from the fault of, the party claiming an event of "Force Majeure," including, but not limited to, acts of God, fires, flood, earthquakes, quarantine, blockade, strikes, war, terrorism, or civil disobedience. The failure of any of Seller's Subcontractors or suppliers to furnish labor, services, materials or equipment shall not be considered an event of Force Majeure. Upon the occurrence of any event of Force Majeure, the affected party shall, (i) within three (3) working days of the event, advise the other party of such event, and (ii) diligently pursue all reasonable efforts to mitigate the effect of any such event of Force Majeure on the work and to restore such party's ability to perform hereunder. To the extent any event of Force Majeure actually delays Seller's ability to perform hereunder, Seller shall be entitled to an equitable adjustment to the schedule when available but shall not be entitled to any adjustment to the Order price.

16. **BUYER'S RIGHT TO TAKE OVER THE WORK:** If, in Buyer's opinion, Seller fails to perform the work with the diligence necessary to ensure timely completion, Buyer may order Seller to work overtime and/or employ additional workers, equipment, or machinery, at no expense to Buyer. If Seller fails to comply with these requirements within seven (7) days of receipt of such order, Buyer shall have the option, but not the obligation, to take over the work and employ any other person, firm, or entity to finish the work, or otherwise finish the work by whatever method Buyer may deem expedient. In this event, Seller shall receive no further payment until the work is wholly completed. Buyer shall deduct any expenses, including reasonable attorney fees and costs, incurred in the completion or correction of the work from any remaining payments to Seller under the Order. If Buyer's expenses are less than the remaining payments to be made to Seller, Buyer shall pay Seller the difference. If Buyer's expenses are more than the remaining payments to be made to Seller, Seller shall pay the difference to Buyer upon demand.

17. **SUBCONTRACTORS:** A "Subcontractor" is a person or entity that has a direct or indirect contract with Seller to perform any part of the work pursuant to this Order. By an appropriate written agreement ("Subcontract"), the form of which shall be subject to Buyer's approval, Seller shall require each Subcontractor to assume all the obligations and responsibilities which Seller, by this Order, assumes toward the Buyer and/or Buyers Customer(s). Any Subcontract shall require each Subcontractor to indemnify Buyer and/or Buyers Customer(s) and their respective agents, servants, and employees pursuant to the terms of Article 13 hereof; shall require each Subcontractor to provide insurance coverage as set forth on Exhibit A; shall require the policies of each Subcontractor to waive all rights against Buyer and/or Buyers Customer(s) for damages caused by fire and other perils to the extent covered by the insurance required to be maintained under this Order or any Subcontract; and shall require each Subcontractor to furnish to Buyer all warranties required by this Order or any Subcontract. All provisions of this Order and the Contract Documents regarding payment, schedule, progress, delays and safety precautions shall bind each Subcontractor.

Each Subcontractor shall acknowledge and agree that, in the event of the termination of the Order, and, upon the request of Buyer, the Subcontractor shall assign said Subcontract to Seller and the Subcontractor shall continue to perform its work pursuant to the Subcontract; provided, however, that in the event of such assignment, Seller shall be obligated to pay the Subcontractor for work performed after the effective date of such termination pursuant to the payment terms of the Subcontract.

If requested by Buyer, Seller shall submit to Buyer for approval a list of the Subcontractors and suppliers whom Seller intends to engage with respect to this Order. Failure of Buyer to object to a proposed Subcontractor or supplier shall not constitute a waiver of any of the requirements of this Order. Seller shall be fully responsible for the acts, failures to act, errors or omissions of all of its Subcontractors, suppliers and vendors, and their respective employees, and for the complete and proper performance of all work under each Subcontract.

Failure of Seller to strictly comply with the foregoing requirements shall constitute a material breach of this Order.

18. **INSURANCE:** Seller shall maintain and pay for insurance coverage of the types and with the limits set forth in Exhibit A, which is attached hereto and incorporated herein. Such coverage shall be maintained in form and with companies acceptable to Buyer and Buyers Customer(s) and shall, notwithstanding the requirements of Exhibit A, meet the applicable requirements imposed by this Order and any governmental authority having jurisdiction over the this Order. Each policy of insurance shall name Buyer and Buyers Customer(s), where

appropriate, as additional insureds and shall provide for thirty (30) days' notice of cancellation to Buyer. Certificates evidencing such insurance shall be delivered to Buyer prior to the commencement of any work pursuant to this Order.

Seller and each Subcontractor shall be responsible for any desired coverage against damage or loss to its own materials, facilities, tools, equipment, scaffolds, bracing and similar items not covered by Buyer's and/or Buyers Customers' fire policies.

19. **REMEDIES:** Buyer reserves the right to withhold payments to Seller in the approximate amount of the damages caused by Seller's failure to fulfill its obligations hereunder. The remedies herein reserved shall be cumulative and in addition to any other further remedies provided in law or equity. No waiver of a breach of any provision of the Order shall constitute a waiver of any other breach of such provision or other provisions.

20. **GOVERNING LAW:** The rights and obligations of the parties shall be governed by the laws of the State of Michigan without regard for conflicts of law principles.

21. **ARBITRATION AND DISPUTES:** Buyer and Seller agree that any controversy or claim between them shall be settled by arbitration in Macomb County, Michigan in accordance with the Rules of the American Arbitration Association and the judgment, upon the award rendered by the arbitrators, entered in any court having jurisdiction thereof. Seller also agrees to become a third party participant in any arbitration proceeding between Buyer and its customer(s) which involves Seller's materials or services. The arbitrators shall have no authority to award any punitive, multiple, exemplary, statutory, or other damages, other than compensatory and actual damages. The arbitrators shall render a reasoned award, setting forth in detail all of the factual and legal bases for the award.

22. **ASSIGNMENT:** Seller shall not assign any right or interest in any Order with Buyer without the prior written consent of Buyer.

23. **TOXIC SUBSTANCES:** Seller shall notify Buyer in writing upon receipt of any Order under which materials to be furnished by Seller or its Subcontractors or suppliers are subject to laws or regulations relating to hazardous or toxic substances or, when disposed of, to regulations governing hazardous wastes, or to any other environmental or safety and health regulations. Seller shall furnish all instructions for shipping, safety, handling, exposure, and disposal in a form sufficiently clear and specific to identify all action which a handler or user must take concerning the material.

24. **QUALITY CONTROL:** seller acknowledges that it is required to achieve OS-9000 and ISO-9000 Certification by \_\_\_\_\_ unless Seller has already achieved such Certification. Seller warrants that it shall provide proof of compliance with these standards, or its efforts to comply therein, upon request of Buyer. Seller further acknowledges that it presently has the appropriate systems, processes and documents in place to ensure compliance with APQP (Advanced Product Quality Planning) and PPAP (Production Part Approval Procedure) as defined by the Automotive Industry Action Group ("AIAG") and Seller warrants that it shall provide proof of compliance upon request of Buyer or its customer.

25. **LAWS, PERMITS, FEES AND NOTICES:** Seller shall give all necessary and desirable notices and comply with all laws, ordinances, rules, regulations, and orders of any public authority bearing on the performance of the work under the Order. Seller shall secure and pay for all permits and governmental fees, licenses and inspections necessary for the proper execution and completion of Seller's work.

Seller shall keep the project for which it is providing work, materials and/or services free and clear of any and all liens from Subcontractors and/or suppliers. Any failure by Seller to keep the project property free and clear from liens and/or encumbrances from Subcontractors or suppliers shall be a material breach under this Order.

26. **SEVERABILITY:** The invalidity of any provision or obligation hereunder or the contravention thereby of any law, rule or regulation shall not relieve Buyer or Seller from its obligations hereunder, nor deprive Buyer or Seller of the advantages of any other provisions of this Order.

27. **ENTIRE AGREEMENT:** The terms and conditions contained in the Order, together with the Contract Documents and any special terms and conditions, specifications, drawings and documents referred to therein, constitute the entire agreement between the parties. The terms hereof may not be modified or amended, except in writing, signed by the authorized representative of both Buyer and Seller. The Order supersedes trade custom and/or usage.

28. **MATERIAL SAFETY DATA SHEETS:** Seller agrees to comply with the Occupational Safety and Health Agency Hazard Communications Regulations (29 CFR Part 1910) and to affix the appropriate labels on materials furnished and include material safety data sheets with the first shipment of materials.

29. **BUYER REVIEW:** The review or approval by Buyer of any drawings, designs or other materials generated or supplied by Seller does not relieve Seller of its contractual obligations hereunder.

30. **FAIR STANDARDS ACT:** each of Seller's invoices covering materials covered by this Order must carry the following certificate or its equivalent in Order to be passed for payment. "Seller hereby certifies that any materials covered by this invoice were produced in compliance with all applicable requirements of the Fair Labor Standards Act, as amended, and in compliance with all applicable regulations and Orders issued thereunder."

31. **EQUAL EMPLOYMENT OPPORTUNITY:** This Order will be subject to non-discrimination provisions of Section 202 of Executive Order No. 11246, as amended by Executive Order No. 11375 and amendments thereto and rules and regulations thereunder, except as exempted by the provisions of Section 204 of Executive Order No. 11246 or amendments thereto. This Order will also be subject to the Equal Employment Opportunity clauses of 28 USC 2012, the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, relative to Equal Employment Opportunity, and implementing rules and regulations of the Secretary of Labor.

32. **SMALL BUSINESS ACT:** seller warrants that it has not misrepresented its business size classification pursuant to the terms and provisions of 15 USC 631, *et seq.*

33. **ANTI-KICKBACK ENFORCEMENT ACT OF 1986:** This Order will be subject to the definitions, terms, and provisions of 41 USC 51-58. Seller expressly warrants that it has in place, and follows, reasonable procedures designed to comply with the Anti-Kickback Act of 1986 in all respects.

34. **NO-HIRE CLAUSE:** The supplier and or its affiliates agree with the Purchaser/Buyer that during a period of 2 years following the date of final acceptance of the purchase order, neither of them will in any way directly or indirectly, induce or attempt to induce any of the employees to leave the employ of the Purchaser/Buyer, or employ or attempt to employ any of the employees of the Purchaser/Buyer or violate the term of their contracts or any employment arrangements with the Purchaser/Buyer. Should the supplier and/or its affiliates breach in any way this separate and independent agreement, a penalty of \$250,000 is due to the Purchaser/Buyer in which the induced employee was employed. In such case the Purchaser/Buyer is entitled to withhold this amount from any outstanding amount due to the Supplier and/or its affiliates

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