

BAE INDUSTRIES, INC.

STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS

I. OFFER, ACCEPTANCE AND NOTIFICATION

A. This purchase order is an offer by BAE Industries, Inc. ("**Purchaser**") for the purchase of the goods ("**Goods**") and/or services ("**Services**") specified on the face of this purchase order and/or release(s) from the party to whom the purchase order and/or release(s) are addressed ("**Seller**") in accordance with and subject to these terms and conditions (the "**Terms**"; together with the terms and conditions on the face of the purchase order and/or release(s), as applicable, this "**Purchase Order**"). This Purchase Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Purchase Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of this Purchase Order.

B. A contract is formed when Seller accepts the offer of Purchaser as defined in this Purchase Order. Each Purchase Order shall be deemed accepted on the terms and conditions of such Purchase Order (including, without limitation, the Terms) by Seller, by either shipment of Goods, performance of Services, commencement of work, acknowledgement, either written or via electronic data exchange, or any other conduct of Seller that recognizes the existence of a contract pertaining to the subject matter contained herein. Subject to Purchaser's termination rights as set forth herein, the agreement formed by this Purchase Order is binding on the parties for the length of the applicable Purchaser's customer's vehicle program production life (including model refreshes as determined by such customer), provided that the Goods and/or Services are incorporated, either directly or indirectly, into such customer's vehicles.

C. ACCEPTANCE IS EXPRESSLY LIMITED TO THESE TERMS WHICH ARE REFERENCED ON THE FACE OF THE PURCHASE ORDER AND ANY OTHER WRITTEN OR ELECTRONICALLY PRODUCED DOCUMENT FROM PURCHASER. NO PURPORTED ACCEPTANCE OF ANY PURCHASE ORDER ON TERMS AND CONDITIONS WHICH MODIFIES, SUPERSEDES, SUPPLEMENTS OR OTHERWISE ALTERS THESE TERMS WILL BE BINDING ON PURCHASER AND SUCH TERMS AND CONDITIONS SHALL BE DEEMED REJECTED AND REPLACED BY THESE TERMS, UNLESS SELLER'S PROFFERED TERMS AND CONDITIONS ARE ACCEPTED IN A WRITTEN DOCUMENT SIGNED BY THE CHIEF EXECUTIVE OFFICER OR CHIEF FINANCIAL OFFICER OF PURCHASER.

D. Except as expressly set forth herein, Purchaser is not obligated to any minimum purchase or future purchase obligations under this Purchase Order.

E. In the event of a conflict between this Purchase Order and any prior or contemporaneous agreement or document of any kind or nature between Purchaser and Seller, this Purchase Order shall govern and control.

F. This Purchase Order incorporates by reference the terms and conditions set forth in the BAE Industries Supplier Quality Manual (Supplier Quality Manual), Purchaser's

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Quotation & Cost Breakdown Request (Purchase Quotation), PPAP Submission and Purchase Order Confirmation (PPAP Submission), Die Standards Manual, and all exhibits, drawings, plans and specifications, which may be attached to or incorporated by reference in the Purchase Order, Supplier Quality Manual, Purchase Quotation and PPAP Submission.

G. In the event of a conflict between these Terms, Purchaser's purchase orders and releases, and the other documents referenced in Section I.F., the following order of precedence applies: (i) Purchaser's purchase orders and releases, (ii) these Terms, and (iii) the other documents referenced in Section I.F.

II. DELIVERY OF GOODS AND PERFORMANCE OF SERVICES; PAYMENT

A. Seller shall provide all Goods and Services in accordance with this Purchase Order. Delivery of Goods shall be made in the quantities and at the times specified in this Purchase Order, and Seller shall adhere to all shipping directions specified in this Purchase Order. Purchaser may change the rate or time of scheduled shipments of Goods, time for the performance of Services, or direct temporary suspension of scheduled shipments of Goods or performance of Services, none of which shall entitle Seller to a modification of the price of Goods or Services covered by this Purchase Order.

B. Seller acknowledges that time is of the essence with respect to Seller's obligations hereunder and the timely delivery of Goods and performance of Services, including all performance dates, timetables, project milestones and other requirements in this Purchase Order. Purchaser has the right to reject any Goods delivered to Purchaser which are in excess of the quantities specified in this Purchase Order. Purchaser also has the right to return any Goods delivered prior to the times specified in this Purchase Order at Seller's expense and Seller will redeliver such Goods as specified in this Purchase Order. Without limitation to the other remedies set forth hereunder, if Seller fails to fully and timely deliver Goods or perform Services, Purchaser may terminate this Purchase Order immediately by providing written notice to Seller and Seller shall indemnify Purchaser against any Losses (as defined in Section XI) directly attributable to Seller's failure to fully and timely deliver Goods and perform Services.

C. Except as otherwise provided in this Purchase Order, Purchaser will pay proper invoices on the payment terms stated in the Purchase Order. If no payment terms appear on the Purchase Order, Purchaser will pay Seller for Goods and completed Services on the 60th day (or no later than the Friday following the 60th day). Purchaser may withhold payment pending resolution of a good faith dispute or receipt of evidence, in the form and detail requested by Purchaser, of the absence of any liens, encumbrances, or claims on Goods provided under this Purchase Order. Payment will be made in U.S. dollars.

III. QUANTITIES; ESTIMATED QUANTITIES FOR REQUIREMENTS CONTRACTS; SERVICE AND REPLACEMENT PARTS

A. If Seller delivers more or less than the quantity of Goods ordered, Purchaser may reject all or any excess Goods. Any such rejected Goods shall be returned to Seller at Seller's sole risk and expense. If Purchaser does not reject such Goods and instead accepts the delivery

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of such Goods at the increased or reduced quantity, the price for such Goods shall be adjusted on a pro-rata basis.

B. This Section III.B will apply only in the event that this Purchase Order is a requirements contract, as expressly set forth on the face of this Purchase Order. Both Seller and Purchaser stipulate and agree that at the time of the issuance of this Purchase Order, Purchaser does not know nor can it realistically know, the exact quantities of Goods which Seller will be required to provide; however, Seller warrants and represents that it has received from Purchaser, a good faith estimate of the quantity of Goods (hereinafter "*Purchaser's estimate*" or "*estimate*") that may be required pursuant to this Purchase Order.

1. If the quantities of Goods actually ordered exceed Purchaser's estimate by 30% or less (as to each individual part identified in the estimate), then such overage shall be deemed reasonable and Seller will supply the overage of such Goods as to each part at the same price as provided in this Purchase Order and Seller shall not receive any price increase.

2. If the quantities of Goods actually ordered exceed Purchaser's estimate by more than 30% per part (each part being identified in the estimate), then Seller will have a right of first refusal to supply Goods for such part(s) that exceed the estimates by more than 30%, at the same price as contained in this Purchase Order. If Seller declines, for any reason, to supply such Goods that exceed the estimates by more than 30% as referenced herein, Purchaser will then be free to obtain or purchase such Goods from a third-party without any further obligation or liability to Seller.

3. If the quantities of Goods actually ordered by Purchaser are less than those contained in Purchaser's estimate (as to each part identified in Purchaser's estimate), Purchaser shall have no liability to Seller and such "under-ordering" will be deemed to be made in good faith.

C. Notwithstanding the expiration or termination of this Purchase Order, upon Purchaser's request, Seller will sell to Purchaser Goods necessary for Purchaser to fulfill its service and replacement parts obligations to Purchaser's customers at the price(s) set forth in this Purchase Order, adjusted only for differences in packaging and logistics costs, all as approved by Purchaser. If Goods are systems or modules, Seller will sell the components or parts that comprise the system or module at price(s) that will not, in the aggregate, exceed the price of the system or module less assembly costs.

IV. RISK OF LOSS

Title passes to Purchaser upon delivery of Goods to Purchaser's applicable facility and acceptance by Purchaser at such facility. Seller bears all risk of loss or damage to Goods until passage of title to Purchaser in accordance with this Article IV.

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V. PACKAGING AND SHIPPING

A. Packaging must conform to all applicable laws and regulations with regard to the storage and/or transportation of Goods.

B. All Goods shall be packed for shipment according to Purchaser's instructions or, if there are no instructions, in a manner sufficient to ensure that Goods are delivered in undamaged condition. Seller must provide Purchaser prior written notice if it requires Purchaser to return any packaging material. Any return of such packaging material will be made at Seller's expense.

C. Delivery will be made DDP Purchaser's applicable facility as set forth on the face of this Purchase Order, Incoterms® 2010 or as otherwise set forth on the face of this Purchase Order. Seller will give written notice of shipment to Purchaser when Goods are delivered to a carrier for transportation. Seller will provide with each shipment the appropriate documents (including, but not limited to, the bill of lading) showing the purchase order number, amendment or release number, Purchaser's part number, Seller's part number where applicable, quantities of pieces in shipment, Seller's name and vendor number, if any.

D. Seller will make no charges for handling, packaging, storage, transportation (including duties, taxes, fees, etc.) or delays unless otherwise provided for in this Purchase Order. Premium shipping expenses and/or other related expenses necessary to meet the release(s) shall be Seller's sole responsibility.

VI. CHANGES AND/OR MODIFICATIONS

By written notice to Seller, Purchaser may, from time to time, direct changes, or direct Seller to make changes, to drawings and specifications of Goods or to otherwise change the scope of the work covered by this Purchase Order, including, without limitation, Services and work with respect to such matters as inspection, testing or quality control. Purchaser may also direct the supply of raw materials from itself or from third parties. Purchaser and Seller will promptly discuss, reasonably and in good faith, any pricing adjustments (up or down) to be made in connection with such changes. Notwithstanding any such discussions, Seller will promptly implement such changes as directed by Purchaser without delay. In the event that Purchaser and Seller are unable to reach agreement on any pricing adjustments to be made in connection with such changes, any difference in price or time for performance resulting from such changes will be equitably adjusted by Purchaser based on a fair cost assessment after receipt of documentation in such form and detail as Purchaser may direct. Seller will accept any amendments issued by Purchaser implementing such changes.

VII. CANCELLATION AND TERMINATION; TRANSITION OF SUPPLY

A. In addition to any of its other rights or remedies under this Purchase Order or applicable law, Purchaser may terminate immediately, all or any part of this Purchase Order, without any liability of Purchaser to Seller, at any time after the occurrence of any one or more of the following events of default (each an "*Event of Default*"): (i) Seller repudiates any of its

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obligations under this Purchase Order, (ii) Seller materially breaches any of its obligations under this Purchase Order and, provided the breach is curable, fails to cure such breach within a commercially reasonable period of time under the circumstances, in no case exceeding 10 days after Purchaser provides Seller written notice thereof, (iii) Seller fails to timely deliver Goods or perform Services conforming to the requirements of, and otherwise in accordance with, this Purchase Order, (iv) Seller fails to provide Purchaser, within a commercially reasonable time after Purchaser's request (but in no case exceeding 10 days after such request) with adequate and reasonable assurance of Seller's financial and operational capability to perform timely any of Seller's obligations under this Purchase Order, (v) Seller takes any action, or fails to take any action, required under this Purchase Order or any other agreement between Purchaser and Seller, or reasonably requested by Purchaser, the result of which is any imminent interruption or delay, or the threat of an imminent interruption or delay, in any production at any of Purchaser's or its customer's assembly facilities, (vi) Seller's liabilities exceed its assets, or Seller is, or is reasonably likely to become, unable to pay its debts as they come due in the ordinary course of Seller's business; Seller files a voluntary petition in bankruptcy or executes an assignment for the benefit of creditors or takes similar actions under state or federal insolvency laws; Seller has an involuntary petition to have Seller declared bankrupt filed against it, provided such petition is not vacated within 30 days from the date of filing; or a receiver or trustee is appointed over Seller, or any material portion of Seller's assets, provided such appointment is not vacated within 30 days from the date of such appointment, (vii) a direct or indirect change in control or ownership of Seller occurs without Purchaser's prior written consent (a change of control includes (a) the sale, lease or exchange of a material portion of Seller's assets, (b) the sale or exchange of 20% in the shares, equity or ownership interests, or voting interests, of Seller, (c) the sale or exchange of an interest in the shares, equity or ownership interests, or voting interests, of Seller's direct or indirect shareholders such that a change in control of Seller is effected, or (d) the execution of a voting or other agreement of control); (viii) the occurrence of events constituting grounds for termination set forth elsewhere in this Purchase Order; or (ix) as a result of any other Event of Default or breach by Seller of any of its obligations under this Purchase Order, Purchaser's customer requires that Purchaser obtain another supplier of Goods or Services. Termination under this Section VII.A will be effective on the date of Purchaser's written notice of termination or such later date as set forth in the notice.

B. In addition to any of its other rights to suspend performance under this Purchase Order or applicable law, Purchaser may immediately suspend its performance under all or any part of this Purchase Order, without any liability of Purchaser to Seller, at any time after the occurrence of any one or more Events of Default or other breach of this Purchase Order.

C. Purchaser may, at its option, terminate all or any part of this Purchase Order at any time and for any reason by giving written notice to Seller. The effectiveness of any termination under this Section VII.C will be effective on the date of Purchaser's written notice of termination or such later date as set forth in the notice.

D. Upon termination under Section VII.C, Purchaser's sole liability to Seller will be payment to Seller of the amounts listed below, without duplication. Upon Purchaser's request, Seller will promptly furnish to Purchaser its calculation of the amounts listed below, together with detailed supporting evidence and data.

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1. The purchase price for all completed Goods delivered to Purchaser and Services performed, all of which conform to the requirements of this Purchase Order and were not previously paid for; and

2. Seller's reasonable, actual out-of-pocket cost for Goods that are in the "firm" or "fabrication" stage as identified in Purchaser's release(s).

E. In connection with the expiration or termination of this Purchase Order by either party, in whole or in part, or Purchaser's other decision to change to an alternate source for Goods and Services, Seller will cooperate in the transition of supply of Goods and Services, including, without limitation, the following: (1) Seller will continue providing Goods and Services at the prices and other terms stated in this Purchase Order during the entire period reasonably needed by Purchaser to complete such transition; (2) Seller will promptly provide all information and documentation requested by Purchaser regarding Goods and Services, including, without limitation, Seller's manufacturing processes; and (3) Seller will provide special overtime production, storage and/or management of extra inventory of Goods. If such transition occurs for reasons other than Seller's termination or breach, Purchaser will, at the end of such transition period, pay the reasonable, out-of-pocket costs of the transition support described in this Section VII.E to Seller, provided that Seller has provided to Purchaser in writing a reasonably accurate estimate of such costs prior to incurring such costs.

VIII. AUDIT AND INSPECTION

Seller grants Purchaser and Purchaser's designee(s) access to Seller's premises and all pertinent information (including, without limitation, books, records, payroll and other data, receipts, correspondence and other documents) for the purpose of auditing Seller's compliance with the terms of this Purchase Order or inspecting or conducting an inventory of finished Goods, work-in-process, raw materials, any of Purchaser's property and all work or other items to be provided pursuant to this Purchase Order located at Seller's premises. Seller will cooperate with Purchaser and Purchaser's designee(s) so as to facilitate their audit, including, without limitation, by segregating and promptly producing such records as Purchaser and Purchaser's designee(s) may reasonably request, and otherwise making records and other materials accessible to Purchaser and Purchaser's designee(s). If requested by Purchaser or Purchaser's designee(s), Seller will promptly provide to Purchaser and Purchaser's designee(s) its most current income statements, balance sheets, cash-flow statements and supporting data and schedules. Seller will preserve all records pertinent to this Purchase Order, and Seller's performance under this Purchase Order, for a period of not less than one year after Purchaser's final payment to Seller under this Purchase Order. Any such audit or inspection conducted by Purchaser, Purchaser's designee(s), or their representatives will not constitute acceptance of any Goods (whether in progress or finished), relieve Seller of any liability under this Purchase Order or prejudice any rights or remedies available to Purchaser. Seller will ensure that the terms of its contracts with its subcontractors provide Purchaser with all of the rights specified in this Article VIII.

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IX. NONCONFORMING GOODS AND SERVICES

A. Purchaser, at its option, may reject and return at Seller's risk and expense, or retain and correct, any Goods that fail to conform to the requirements of this Purchase Order and related release(s), even if the nonconformity does not become apparent to Purchaser until the manufacturing or processing stage of its operation. With respect to requirements contracts, to the extent Purchaser rejects Goods as nonconforming, the estimated quantities shall not be reduced by the quantity of nonconforming Goods unless Purchaser otherwise notifies Seller in writing. Seller shall immediately replace the nonconforming Goods with conforming Goods, at Seller's sole cost and expense, unless otherwise notified in writing by Purchaser. Nonconforming Goods will be held by Purchaser for disposition in accordance with Seller's written instructions at Seller's risk. Seller's failure to provide written instructions within 10 days (or such shorter period as may be commercially reasonable under the circumstances) after notice of nonconformity, shall entitle Purchaser, at Purchaser's option, to charge Seller for storage and handling or to dispose of such Goods without liability to Purchaser. In such an event, Seller shall reimburse Purchaser for:

1. all amounts paid by Purchaser on account of and for the purchase price of any returned, nonconforming Goods within 10 days after a debit memo for the amounts paid has been issued by Purchaser;

2. all costs incurred by Purchaser in connection with the nonconforming Goods including, but not limited to, inspection, sorting, testing, evaluation, storage, rework or disposal, within 10 days after a debit memo for the cost has been issued by Purchaser;

3. all costs of obtaining "cover" Goods to replace the rejected or nonconforming Goods provided by Seller; also, the cost of obtaining "cover" Goods if Seller fails to supply Goods pursuant to Purchaser's release(s). Cover as used herein is defined under the Uniform Commercial Code as adopted by the State of Michigan in MCLA 440.2712 et seq., as amended. Payment for the "cover" Goods will be made by Seller within 10 days after a debit memo for such cost has been issued by Purchaser.

B. Purchaser, at its option, may require Seller to re-perform at Seller's expense, or engage a third party to perform at Seller's expense, any Services that do not conform to the requirements of this Purchase Order and/or any other remedial services as Purchaser may reasonably determine to be required to correct such non-conforming Services.

X. WARRANTY

A. Seller warrants to Purchaser 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 Purchaser; (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 Intellectual Property Rights (as defined in Section XIV.A.1 below). These warranties survive any delivery, inspection, acceptance or payment of or for Goods by Purchaser.

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B. Seller warrants to Purchaser that it will perform 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 will devote adequate resources to meet its obligations under this Purchase Order.

C. Without limitation to the foregoing, all warranties required by Purchaser's customers are incorporated herein by reference. The warranties set forth in this Article X are cumulative and in addition to any other warranty provided by law or equity.

D. The warranty period is the longest of three years from Purchaser's acceptance of Goods or completion of Services; the warranty period provided by applicable law; or the warranty period offered by Purchaser's customers to end-users with respect to products incorporating Goods or impacted by Services.

XI. INDEMNIFICATION

A. Seller will defend, indemnify and hold harmless Purchaser and its subsidiaries, affiliates, successors or assigns and their 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 attorneys' and professionals' fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "*Losses*") arising out of or occurring in connection with Goods and Services purchased from Seller or Seller's negligence, willful misconduct or breach of this Purchase Order. For clarity, Losses subject to indemnification under this Section XI.A include charges or set-offs taken by Purchaser's customers against Purchaser by reason of alleged defects in Goods or Services, even if such set-offs are before final determination of whether and to what extent defects in Goods or Services were a cause of the related remedial action undertaken and related costs/damages incurred by such customer.

B. Seller will, at its expense, defend, indemnify and hold harmless any Indemnitees against any and all Losses arising out of or in connection with any claim that such Indemnitee's use or possession of Goods or use of Services infringes or misappropriates the Intellectual Property Rights of any third party.

C. Seller will not enter into any settlement with respect to this Article XI without Purchaser's prior written consent. Seller will allow Purchaser to select counsel reasonably acceptable to Seller with respect to the defense and indemnity of Purchaser under this Article XI.

XII. GOVERNMENT REGULATIONS

Seller will comply with all applicable laws, regulations and ordinances. Seller will maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Purchase Order. Seller will comply with all export and import laws of all countries involved in the sale of Goods under this Purchase Order or any

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resale of Goods by Purchaser. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. Purchaser may terminate this Purchase Order if any governmental authority imposes antidumping or countervailing duties or any other penalties on Goods.

XIII. SETOFF

In addition to any right of setoff or recoupment provided by law, all amounts due to Seller will be considered net of indebtedness of Seller and its affiliates/subsidiaries to Purchaser and its affiliates/subsidiaries; and Purchaser will have the right to setoff against or to recoup from any amounts due to Seller and its affiliates/subsidiaries from Purchaser and its affiliates/subsidiaries.

XIV. INTELLECTUAL PROPERTY:

A. Definitions:

1. ***"Intellectual Property Rights"*** means any patent, patented articles, patent applications, designs, industrial designs, copyrights, software, source code, database rights, moral rights, inventions, whether or not capable of protection by patent or registration, techniques, technical data, trade secrets, know-how, and any other proprietary rights, whether registered or unregistered, including applications and registrations thereof, all related and continuing rights, and all similar or equivalent forms of protection anywhere in the world.

2. ***"Background Intellectual Property Rights"*** means any Intellectual Property Rights of either party relating to Goods or Services (i) existing prior to the effective date of this Purchase Order or (ii) that each party acquires or develops after the effective date of this Purchase Order, but in a strictly independent manner and entirely outside of any work conducted under this Purchase Order.

3. ***"Foreground Intellectual Property Rights"*** means any Intellectual Property Rights, except Background Intellectual Property Rights, (i) that are developed in whole or in part by Purchaser alone, by the parties jointly or by Seller alone, in connection with this Purchase Order or (ii) relating to Goods or Services.

B. Foreground Intellectual Property: Purchaser and Seller will each retain ownership of any Foreground Intellectual Property Rights that are solely created or made by their respective employees, agents or subcontractors ("***Personnel***"). Purchaser and Seller will jointly own any Foreground Intellectual Property Rights that are jointly created or made by Personnel of both Purchaser and Seller with the ability to grant licenses without consultation and no duty of accounting to each other for any use or purpose. Seller hereby grants to Purchaser and causes its affiliates and Personnel to grant to Purchaser, an irrevocable, worldwide, nonexclusive, perpetual to the maximum extent permitted by law, royalty free, fully paid-up license, with right to sublicense, to all Foreground Intellectual Property Rights to make, have made, use, reproduce, modify, improve, prepare derivative works of, distribute, display, perform, offer to sell, sell and import, without limitation.

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C. **Background Intellectual Property:** Purchaser and Seller will each retain ownership of their respective Background Intellectual Property Rights. Seller hereby grants to Purchaser and causes its affiliates and Personnel to grant to Purchaser, an irrevocable, worldwide, nonexclusive, royalty free, fully paid-up license, with right to sublicense to Purchaser's affiliates, to all Background Intellectual Property Rights to make, have made, use, reproduce, modify, improve, prepare derivative works of, distribute, display, perform, offer to sell, sell and import Goods and Services (the "**Limited License**"), provided that Purchaser or its affiliates will only use the Limited License in the event that (i) Seller breaches or repudiates its obligations by being unable or unwilling to deliver Goods or Services under this Purchase Order, or (ii) in the event Seller is unable to supply Goods or Services under this Purchase Order as a result of a force majeure event (as defined below), but in such event only for the duration of Seller's inability to supply. In no event will the term of the Limited License extend beyond the expiration date of this Purchase Order.

XV. PURCHASER'S PROPERTY:

A. Title to any and all property furnished by Purchaser at no extra charge to Seller in connection with this Purchase Order shall at all times vest in Purchaser, and Seller assumes all liability for loss of or Seller's failure to return such property to Purchaser upon request at Seller's sole cost and expense.

B. Purchaser holds title to all tools, dies, jigs and fixtures and when temporary possession of these items are given to Seller, it shall use these items only for production of Goods sold to Purchaser and shall keep these items in good working condition and will insure them for the benefit of Purchaser at Seller's expense, and will return them upon Purchaser's demand at Seller's sole cost and expense.

XVI. SELLER'S PROPERTY

Seller hereby grants Purchaser an irrevocable option to purchase, free and clear of all liens, claims and other encumbrances, any or all of Seller's supplies, materials, molds, machinery, equipment, patterns, tools, dies, jigs, fixtures, blueprints, designs, specifications, drawings, photographic negatives and positives, art work, copy layout and other items necessary for the production of Goods (collectively, "**Seller's Property**") that are specially designed or configured for the manufacture or assembly of Goods upon Purchaser's payment of the unamortized portion of the cost of such items of Seller's Property, less any amounts Purchaser previously has paid to Seller for the cost of Seller's Property. Seller will permit Purchaser to audit Seller's records to verify the amount due for any of Seller's Property. This option will not apply to any of Seller's Property that is used by Seller to produce a substantial quantity of like products for other customers of Seller which cannot readily be obtained by Seller's customer(s) from third parties unless, at Purchaser's election upon exercise of the option, Seller assigns to Purchaser and Purchaser assumes Seller's obligation to produce such products for Seller's other customers using those items of Seller's Property during the period subsequent to the sale of the Seller's Property to Purchaser. Seller will cooperate with Purchaser's reasonable requests for information regarding any such obligation to Seller's other customer(s) and to effect such

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assignment and assumption. Purchaser's right to exercise the option under this Article XVI is not conditioned on a breach by Seller or Purchaser's termination of this Purchase Order.

XVII. CONFIDENTIAL INFORMATION

All non-public, confidential or proprietary information of Purchaser, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Purchaser 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 Purchase Order is confidential, solely for the purpose of performing this Purchase Order and may not be disclosed or copied unless authorized in advance by Purchaser in writing. Upon Purchaser's request, Seller will promptly return all documents and other materials received from Purchaser. Purchaser will be entitled to injunctive relief for any violation of this Article XVII. This Article XVII 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 Seller on a non-confidential basis from a third party.

XVIII. FORCE MAJEURE

Any delay or failure of either party to perform its obligations under this Purchase Order will be excused to the extent that Seller is unable to produce, sell or deliver, or Purchaser is unable to accept delivery, buy or use, the Goods or Services covered by this Purchase Order, directly as the result of an event or occurrence beyond the reasonable control of such party, without such party's fault or negligence (a "*force majeure event*"), including, if applicable, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars and sabotage; provided that written notice of such force majeure event (including the anticipated duration of the delay) must be given by the affected party to the other party as soon as possible (but in no event more than 10 days after the force majeure event occurs). With respect to Seller, any strikes or labor disruptions, insolvency or lack of financial resources, or change in costs of materials or components will not constitute a force majeure event. During any force majeure event affecting Seller's performance, Purchaser may, at its option, purchase Goods and Services from other sources and reduce its delivery schedules to Seller by such quantities, without liability to Seller, or require Seller to provide Goods and Services from other sources in quantities and at times requested by Purchaser at the price set forth in this Purchase Order.

XIX. INSURANCE

Seller will maintain insurance coverage with insurance carriers acceptable to Purchaser and in the amounts reasonably necessary to insure Seller's performance under this Purchase Order or as otherwise required by Purchaser. Seller will furnish to Purchaser either a certificate showing compliance with these insurance requirements or certified copies of all insurance policies within 10 days of Purchaser's written request. The certificate will provide that Purchaser will receive 30 days' prior written notice of any termination or reduction in the

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amount or scope of coverage. Seller's furnishing of certificates of insurance or purchase of insurance will not release Seller of any of its obligations or liabilities under this Purchase Order.

XX. CUSTOMER REQUIREMENTS

Seller agrees to comply with the applicable terms and conditions of all agreements between Purchaser and any customer of Purchaser, or directly or indirectly applicable to Purchaser ("***Customer Agreements***"), pursuant to which (A) Purchaser agrees to supply to such customer, or to incorporate into products supplied to such customer, Goods and (B) Purchaser agrees to supply to such customer, or to incorporate into services supplied to such customer, Services. In the event of a conflict between this Purchase Order and any Customer Agreement, Purchaser will determine, in its sole and absolute discretion, which terms will take precedence. Seller will use its best efforts to enable Purchaser to meet the terms and conditions of Customer Agreements, including, without limitation, adhering to cost and productivity terms and required price reductions. Purchaser may, at its option and upon notice to Seller, revise its payment terms for Goods and Services to take into account any change in the payment terms of any Customer Agreement. If Purchaser's customer directed, recommended, requested, suggested or otherwise identified Seller as the source from which Purchaser is to obtain Goods and/or Services, then notwithstanding the particular terms otherwise applicable to the Purchase Order, in no event will Seller have a right to receive payment from Purchaser for Goods and Services except following, and in proportion to, Purchaser's actual receipt of payment from Purchaser's customers for those products and services in which Goods or Services, as applicable, are incorporated.

XXI. MISCELLANEOUS

A. **No Oral Modification:** No oral agreements, understandings or representations will change, modify or amend (collectively "***amend***") any part of this Purchase Order, which may only be amended in writing and executed by all the parties hereto.

B. **Assignment:** Seller will not assign, transfer, delegate or subcontract any of its rights or obligations under this Purchase Order without the prior written consent of Purchaser. Any purported assignment or delegation in violation of this Section XXI.B will be null and void. No assignment or delegation will relieve the Seller of any of its obligations hereunder. Purchaser may at any time assign or transfer any or all of its rights or obligations under this Purchase Order without Seller's prior written consent to any affiliate or to any person acquiring all or substantially all of Purchaser's assets.

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

BAE INDUSTRIES, INC.

D. **Counterparts:** This Purchase Order may be executed in any number of counterparts, each of which will be deemed an original, and all of which when taken together shall constitute one and the same instrument.

E. **Relationship of the Parties:** The relationship between the parties is that of independent contractors. Nothing contained in this Purchase Order will 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 will have authority to contract for or bind the other party in any manner whatsoever.

F. **No Third-Party Beneficiaries:** This Purchase Order 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 will 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 Purchase Order.

G. **Governing Law:** This Purchase Order will be construed and governed in accordance with the domestic laws of the State of Michigan without giving effects to the principles of conflict of law.

H. **Submission to Jurisdiction:** Any legal suit, action or proceeding arising out of or relating to this Purchase Order will be instituted in the federal courts of the United States of America located in the Eastern District of Michigan or the courts of the State of Michigan located in the County of Oakland, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

I. **Notices:** All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") will be in writing and addressed to the parties at the addresses set forth on the face of this Purchase Order or to such other address that may be designated by the receiving party in writing. All Notices will be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Purchase Order, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section XXI.I.

J. **Attorneys Fees:** In any action or proceeding to enforce any rights or provision(s) of this Purchase Order, the prevailing party will be entitled to recover its reasonable, out-of-pocket legal fees and expenses.

K. **Severability:** If any term or provision of this Purchase Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Purchase Order or invalidate or render unenforceable such term or provision in any other jurisdiction.

Rev. February 2017