POINTE PRECISION, Inc. - TERMS AND CONDITIONS OF PURCHASE ORDER

1. ENTIRE AGREEMENT

These Terms and Conditions of Purchase Order are made pursuant to any Purchase Order between Pointe Precision, Inc. ("Customer"), and the Supplier named in such Purchase order ("Supplier").

This statement of terms and conditions, the Purchase Order, written engineering drawings, process drawings, written specifications, and any acknowledgment documents contain all of the terms and conditions of the agreement between Supplier and Customer as to the sale and purchase of the Products. Supplier's acceptance of Customer's Purchase Order is expressly conditioned on all such terms and conditions, and without modification.

(a) Supplier's acknowledgment, acceptance of payment, or commencement of performance, shall constitute Supplier's unqualified acceptance of this Purchase Order.

2. SHIPMENT/TRANSPORTATION

Unless otherwise stated on the face of the Purchase Order, terms shall be F.O.B. Supplier's plant, title to pass to Customer upon delivery to carrier. No charges for unauthorized transportation will be allowed.

3. DELIVERY SCHEDULE

Unless otherwise agreed, Supplier shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Customer's delivery schedule. Early (greater than 5 working days) and/or partial shipment without authorization may result in products/materials/service deliverables being rejected at our location, payment delays, or debit. If Supplier cannot meet the required delivery date, Pointe Precision must be notified immediately. Pointe Precision, Inc. and/or Pointe Precision, Inc. customers reserve the right to verify, at the supplier's premises, that products/services purchased conform to specified requirements. Such verification does not absolve supplier of responsibility to provide acceptable products/materials/service. Supplier will not be liable for damages for delay of delivery beyond its reasonable control. However, Customer may, in addition to its other rights, at its option, either approve a revised delivery schedule or terminate in whole or in part, the Purchase Order without liability to Supplier on account thereof.

4. RIGHT OF ACCESS

Acceptance of this purchase order shall grant to the Buyer right of access by the Buyer's organization, their customer, and regulatory authorities to all facilities, at any level of the supply chain, involved in the order and to all applicable records.

5. MODIFICATION AND CHANGES

Customer shall have the right to make changes to a Purchase Order with sufficient advance written notice, but no additional charge will be allowed unless authorized by Customer. If such change affects delivery or the amount to be paid by the Customer, Supplier shall notify Customer as soon as reasonably possible, and negotiate an adjustment in accordance with this Changes clause. In any event, the charges for obsolescence, scrap, and/or rework resulting from any change shall be limited to the materials in process at the time of the change and within Supplier's normal manufacturing cycle needed to meet the customer's delivery schedule.

The supplier shall notify the Customer of changes in product and/or process, changes of suppliers, changes of manufacturing facility location, changes in company management, changes to the status of the supplier's certification, a notification to be made within 5 business days, and, where required, obtain organization approval.
Supplier shall notify the customer of any changes in the purchased product prior to implementation of any change that affect the ability of the purchased product to meet specified purchase requirements.

6. QUALITY ASSURANCE

Supplier will have at minimum an in-process, final inspection and calibration system in place to assure product meets requirements of the Purchase Order, engineering drawings, or process drawings, and any other specifications identified on such documents. Supplier shall have a system in place for identification and control of nonconforming product. Supplier will respond to corrective action requests.

All materials and work in process shall be subject to inspection and test by Customer at any time upon request. All goods or services furnished under any Purchase Order shall be subject to final inspection and acceptance after receipt by Customer. Goods or services not in exact conformity with a Purchase Order shall be subject to rejection as provided in the clause herein entitled Rejections. Payment for goods or services ordered shall not constitute acceptance thereof and shall be without prejudice to any and all claims that the Customer may have against Supplier.

A supplier Certificate of Conformance ("C of C") with authorized signatures must accompany each shipment. Compliance statement must indicate materials meet all Purchase Order and specification requirements, reference the Customer Purchase Order number, part number, and quantity represented.

A manufacturer's Material Certification ("Mat Cert") must accompany each shipment when required by an Aerospace material Specification ("AMS") or as required by the Purchase Order. When a Mat Cert is supplied, a C of C is not required. The Mat Cert must be attached to the shipping documents or incorporate sufficient information to match it with the pertinent Purchase Order and specific shipment.

Supplier must notify the Customer (Buyer listed on Purchase Order) of the intent to ship known nonconforming product prior to shipment to Customer. Customer must give approval to Supplier to ship nonconforming material; nonconforming product must be clearly identified, tagged listing violation and segregated if possible. If a nonconformance is identified after delivery, immediate notification must be made to the customer.

7. RECORD RETENTION

Purchase orders seller shall retain all applicable records of the purchase including their subcontractor records for thirty (30) years after final payment by Buyer. Prior to discarding, transferring to another organization, or destruction of such records, the Supplier shall notify the Pointe Precision Buyer in writing and give Pointe Precision the opportunity to gain possession of the records. These requirements are applicable to records generated by Supplier's sub-tier sources.

Note: Deviations from the required retention time will be stated on the purchase order.

8. REJECTIONS

If any of the materials furnished under a Purchase Order are found to be defective in material, workmanship, or otherwise not in conformity with the requirements of the Purchase Order, Customer, in addition to any other rights which it may have under warranties or otherwise, may reject and return such goods not to be replaced without authorization by Customer.

9. PATENT PROTECTION

Supplier warrants that the goods covered by any Purchase Order and the sale or use of them will not infringe any United States or foreign letters patent, and the Supplier agrees to defend, protect and save harmless the customer, its successors, assigns, customers and users of it products, against all suits and from all damages and expenses resulting from claims and demands for actual or alleged infringements of any patent by reason of the sale or use of the goods covered hereby. The Customer reserves the right to control or participate in any such patent infringement action brought against it.

10. CONTROL OF PURCHASES

For all processing (work) performed by Sub-tier Suppliers:

A. The supplier is responsible to assure that all customer requirements applicable to the processes, characteristics or material contracted to the Sub-tier supplier are specified in the purchasing document

B. The supplier is responsible to flow-down requirement or any changes in requirements that affect the processing performed by the Sub-tier supplier. This includes ensuring that Sub-tier suppliers have the latest revision of the necessary drawings and specifications.

11. PERFORMANCE; DELAYS; FORCE MAJEURE

Time is of the essence for this Purchase Order and Seller shall complete delivery of the goods or completion of the services by the time and in accordance with the terms specified in the Purchase Order. Seller shall promptly notify Buyer of any actual or anticipated delay in delivery and take all reasonable steps to avoid or end delays without additional cost to Buyer. Where the delay is caused by acts of God, acts of civil or military authority, epidemics, war, riot, strikes or similar cause beyond Seller's control and which Seller could not have foreseen or provided against ("force majeure"), Buyer shall have the right to either (a) terminate by written notice to Seller all or part of this Purchase Order without further obligation or liability to seller; or (b) extend Seller performance for a period equal to the duration of the delay, but Seller shall not be entitled to any extra compensation for such delay. Seller shall use its best efforts to anticipate the effect of such cause and mitigate the effect of such cause, to resume performance, and to make deliveries as expeditiously as possible and Seller shall not discriminate against Buyer or in favor of any other customer in making deliveries of goods or performing any of its obligations. Seller shall not be excused from performance for force majeure where alternate sources of supply of materials, goods, or services are available. In no event shall Seller be entitled to claim force majeure for any delays or failures in performance due to breakdowns, malfunctions or failures of equipment, machinery or other items used by Seller or its suppliers in performance of Seller's obligations under this Purchase Order. Strikes, fires, accidents, acts of God, acts of civil or military authority, epidemics, war, riot, or any other causes beyond the reasonable control of Buyer that affect the Buyer's ability to receive or use or sell the goods or services ordered shall constitute valid ground for Buyer's suspension of performance or cancellation of this Purchase Order, upon written notification to the Seller, and without penalty or liability to Buyer.

12. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

(a) Supplier will perform the requirements of this Order in compliance with all applicable laws, statutes, orders, acts, codes, rules and regulations of the United States and its individual states (including, but not limited to, the Fair Labor Standards Act, the Walsh-Healey Act, the Occupational Safety and Health Act, Executive Orders, export/import laws and regulations, Uniform Commercial Code, and Environmental Protection Acts), and of other Countries or Unions. Supplier will indemnify Buyer against any and all loss, cost, liability, damage or expense arising from or related to Supplier's failure to comply with this provision.

(b) If this Order is issued under a United States Government prime contract or subcontract, the flow down clauses attached hereto and any other provision or requirement mandated as applicable to U.S. Government subcontracts by the Federal Acquisition Regulation and or applicable government department or agency supplement (including, without limitation, the Department of Defense FAR Supplement) is hereby incorporated herein. Such government contract provisions shall be controlling over any conflicting terms and conditions set forth herein.

(c) Supplier expressly acknowledges and agrees that it will, to the extent required by law or government contract requirements, provide information and verification concerning the citizenship or immigration status of Supplier's personnel or Supplier's subcontractor personnel entering onto Buyer's premises or the premise of Buyer's prime contractor or the U.S. Government.

13. HARDWARE, SOFTWARE AND FIRMWARE

Seller warrants that any hardware, software and firmware goods delivered under the Order: (i) shall not contain any viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: 1) damage, destroy or alter any software or hardware; 2) reveal, damage, destroy, or alter any data; 3) disable any computer program automatically; or d) permit unauthorized access to any software or hardware; (ii) shall not contain any third party software (including software that may be considered free software or open source software) that: 1) may require any software to be published, accessed or otherwise made available without the consent of Buyer, or 2) may require distribution, copying or modification of any software free of charge; and (iii) shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party.

14. COUNTERFEIT GOODS PREVENTION

(a) For the purposes of this Article, Goods consist of those parts deliverable under this contract that are the lowest level of separately identifiable items (e.g., articles, components, goods and assemblies). "**Counterfeit Goods**" means Goods or Items that have been misrepresented as having been designed and/or produced under an approved system or other acceptable method. Counterfeit Goods include, but are not limited to Goods or Items that: (i) are an illegal or unauthorized copy or substitute of an Original Equipment Manufacturer ("**OEM**") item; (ii) are not sufficiently traceable to an OEM to ensure authenticity in OEM design and manufacture; (iii) do not contain the proper internal or external materials or components or are not manufactured in accordance with the OEM design; (iv) are used, refurbished, or reclaimed but that Seller represents as being new; (v) have not successfully passed all OEM required testing, verification, screening, and quality control but that Seller represents as having met those requirements; (vi) have a label or other marking intended, or reasonably likely, to mislead a reasonable person into believing a non-OEM Good is a genuine Good or Item when it is not.

(b) Seller warrants and certifies that Goods and Items delivered pursuant to this contract, unless otherwise specifically stated on the face of the Order, shall (i) be new, (ii) be and only contain materials obtained from the OEM or an authorized OEM reseller or distributor, (iii) not be or contain any Counterfeit Goods, and (iv) contain only authentic, unaltered OEM labels and other markings. Goods and Items shall not be acquired from independent distributors or brokers unless specifically authorized in writing by Buyer.

c) Seller shall maintain a method of item traceability that ensures traceability of the supply chain back to the manufacturer of all electrical, electronic, and electromechanical parts sold separately as Goods or Items or included in assemblies and subassemblies being delivered per this contract. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for Seller, and shall include the manufacturer's batch identification for the item(s) such as date codes, lot codes, serializations, or other batch identifications. When requested by Buyer, Seller shall provide OEM documentation that authenticates traceability of the affected items to the applicable OEM. Buyer shall have the right to audit, inspect, and/or approve the methodology described herein at any time before or after delivery of the Goods or Items ordered hereunder. Buyer shall have the right to require changes to the processes to conform to Buyer's defined standards, if any.

d) Seller shall immediately notify Buyer in writing of the pertinent facts if Seller knows or has reason to believe that Counterfeit Goods have been delivered under the applicable Order.

e) In the event Goods or Items delivered under this contract constitute Counterfeit Goods, Seller shall at its expense promptly replace such Goods with genuine Goods conforming to the requirements of this contract. Notwithstanding any other provision of this contract, Seller shall be liable for all costs relating to the removal or replacement of Counterfeit Goods, including without limitation Buyer's or Buyer's customer's costs of removing such Counterfeit Goods, reinserting genuine Goods or Items, and any testing necessitated by the reinstallation of any Goods or Items after Counterfeit Goods have been exchanged. Buyer reserves the right to turn over suspected Counterfeit Goods to U.S. Governmental authorities for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation. The remedies available under this Article are in addition to any other remedies Buyer may have available to it in law or in equity, or in any other provisions in this contract.

f) In the event Buyer suspects that Seller may have provided Counterfeit Goods under any Order, Buyer shall immediately notify Seller in writing, and provide sufficient detail to enable Seller to promptly initiate its own internal investigation. Seller will cooperate fully with any investigation of Counterfeit Goods conducted by Buyer, and shall promptly provide all documentation and other information reasonably requested by Buyer.

15. CONFLICT MINERALS

Seller warrants and certifies that it complies with Section 1502 of the Dodd Frank Act and the Final Rule issued by the U.S. Securities and Exchange Commission, and any subsequent rules and regulations related thereto issued by the United States Government and, where identified by Pointe Precision, other governments and/or authorities in regions that Pointe Precision provides its products ("**Conflict Minerals Regulations**"), and has implemented compliant processes to ensure its suppliers are in compliance with the Conflict Minerals Regulations. Where Seller does not have direct and formal reporting requirements under the Conflict Minerals Regulations, and upon request by Buyer, Seller agrees to provide due diligence and Responsible Country of Origin Inquiry ("**RCOI**") information under this Agreement to Buyer in support of Buyer's reporting requirements (the "**RCOI Requirements**"). Further, Seller shall promptly comply with all requests by Buyer to provide documentation, and other substantiating data and assurances with respect to its compliance with Conflict Minerals Regulations and the RCOI Requirements as Buyer may deem necessary from time to time. In the event: (a) Buyer

deems Seller is not in compliance with the Conflict Minerals Regulations or the RCOI Requirements, (b) Buyer is not satisfied with the outcome of any review of Seller documentation and/or data or otherwise, or (c) Seller does not provide the documentation, other data and/or other further assurances to Buyer as requested by Buyer, Buyer shall have the right to terminate this Order or any portion thereof without penalty or further liability to Buyer.

16. ANTI-HUMAN TRAFFICKING/MODERN SLAVERY ACT

Supplier represents and warrants that neither Supplier, nor any of its agents or subcontractors, has: (i) committed a violation of any applicable statute aimed at mitigating or preventing Human Trafficking, including but not limited to, the United States Federal Acquisition Regulation (FAR) 52.222.50, the California Transparency in Supply Chain Act, the United Kingdom Modern Slavery Act, the Trade Facilitation & Trade Enforcement Act of 2015 (the "Human Trafficking Laws"); (ii) been notified that it is subject to an investigation relating to an alleged Human Trafficking Law violation; nor (iii) been made aware of any circumstances in its supply chain that could give rise to an investigation relating to a Human Trafficking Law violation. Supplier agrees that it shall: (i) comply with all applicable provisions of the Human Trafficking Laws and any Human Trafficking Laws reporting/disclosure statement requirements; (ii) notify Buyer in writing promptly if it becomes aware or has reason to believe that it or any of its agents or subcontractors have breached or potentially breached the Human Trafficking Laws; (iii) respond promptly to any Buyer requests for Human Trafficking Law questionnaire completion and/or certification; (iv) permit and cooperate with any Human Trafficking Law compliance audit of Supplier and/ or its agents or subcontractors (whether announced or unannounced) conducted by Buyer or an independent third party on Buyer's behalf; and (v) flow down the requirements of this Human Trafficking Law section to any of its agents and subcontractors or sub-suppliers performing work under this order. If notice of a violation to Buyer becomes necessary, such notice shall set out full details of the circumstances concerning the breach or potential breach of Supplier's obligations. Any Human Trafficking Law violation or breach of this paragraph by Supplier or its agents or subcontractors shall be deemed a material breach of this Order and shall entitle Buyer, at its option, to immediately terminate this Order.

16. GENERAL

(a) These Terms and Conditions of Purchase Order, and other agreements of Supplier and Customer shall be construed under the laws of the State of Wisconsin.

(b) Neither party shall institute a proceeding in any court or administrative agency to resolve a dispute between the parties before that party has sought to resolve the dispute through direct negotiation with the other party. If the dispute is not resolved within three (3) weeks after a demand for direct negotiation, the parties shall attempt to resolve the dispute through mediation. If the parties do not promptly agree on a mediator, either party may request the then Branch II Circuit Judge for Portage County, Wisconsin, to appoint a qualified mediator acceptable to said Judge. If the mediator is unable to facilitate a settlement of the dispute within a reasonable period of time, as determined by the mediator, the mediator shall issue a written statement to the parties to that effect and the aggrieved party may then seek relief through the courts or administratively. All proceedings hereunder shall be held in Portage County, Wisconsin. Nothing in this section precludes the parties from agreeing to submit the dispute for resolution by arbitration under conditions and procedures to which they agree in advance. The fees and expenses of the mediator shall be paid one-half each by Supplier and Customer. The prevailing party in any arbitration, litigation, administrative proceeding or appeals arising out of this Agreement shall recover its expenses and costs, including reasonable attorney's fees, from the other party.

(c) All notices and writings to the parties may be accomplished through (I) personal delivery, (ii) certified U.S. mail, postage prepaid, (iii) prepaid nationally recognized private delivery carrier, or (iv) facsimile transmission and ordinary first-class U.S. mail, postage prepaid, within 3 business days of the facsimile transmission to Supplier at the address and facsimile number stated in its acknowledgment documents and to Customer at the address and facsimile number stated in its Purchase Order. The notice shall be deemed given on the date of personal delivery or the date deposited with the post office/private delivery carrier or the date of facsimile transmission, as the case may be.

(d) The Supplier agrees that the relationship established by the Customer's Purchase Order constitutes him an independent contractor and that no tax assessment or legal liability of the Supplier, or of his agents or employees becomes, by reason of this order, an obligation of the Customer.

(e) Notwithstanding any notice or agreement to the contrary, any written acknowledgment of the Customer's Purchase Order, or the shipment of any material or the furnishing of any services pursuant to the Purchase Order shall constitute acceptance thereof by the Supplier of each and all of the expressed terms and conditions stated above and stated or referenced on the face of the Purchase Order.

(f) The Supplier shall not, without first obtaining the written consent of the Customer, in any manner advertise or publish the fact that Supplier has furnished, or contracted to furnish to Customer, the material and/or services ordered.

(g) Supplier agrees that all information disclosed, obtained, or discovered by Supplier or its representatives from, but not limited to, drawings, prints, publications, specifications, processes, manufacturing techniques, verbal explanations, schedules and the like, as a result of a Purchase Order, are received in confidence and are the proprietary property of Customer and that such information shall not be reproduced or used by Supplier or transmitted or disclosed to any person or organization by Supplier, without prior written consent of Customer.

Upon termination of a Purchase Order, Supplier shall return to the Customer upon request all drawings, blue prints, descriptions or other paper which contain proprietary information.

(h) Supplier shall comply with all applicable laws and regulations relating to employment, including but not limited to the Fair Labor Standard Act and the Occupational Safety and Health Act of 1970 and all laws and regulations relating to hazardous substances including, but not limited to, Department of Transportation rules on transport of hazardous wastes and hazardous substances. E.P.A. rules governing generators and transporters of hazardous wastes and the Resource Conservation and Recovery Act of 1976. Where this purchase order covers materials and/or services to be used in the fulfillment of a government contract. Supplier shall comply with Executive Order 11246, the Vocational Rehabilitation Act of 1973, the Vietnam Era Veteran's Readjustment Act of 1974, the National Women's Business Enterprises Program established by Executive Order 12138, the Labor Surplus Area Program mandated by P.L. 95-89, Small Business Concerns and Small disadvantaged Business Concerns Programs established by P.L. 95-507 and all rules and regulations thereunder, unless exempt from such compliance. Supplier shall hold Customer harmless from and reimburse if for any and all costs, damages and expenses (including attorneys' fee) suffered by it directly or indirectly through failure of Supplier to comply with any such laws, regulations or orders.

(i) Supplier will ensure that employees and people working on its behalf are aware of:

- Their contribution to product or service conformity
- Their contribution to product safety
- The importance of ethical behavior

(j) The unenforceability or invalidity of one or more of the provisions of these Terms and Conditions of Purchase Order will not affect the enforceability or validity of any other provision of these Terms and Conditions of Purchase Order.