

Standard Terms and Conditions

1. Applicability.

(a) These terms and conditions of purchase (these “Terms”) are the only terms which govern the purchase of the goods (“Goods”) and services (“Services”) by RCO Engineering, Inc. (“Buyer”) from the seller (“Seller”) named in the purchase order, release or EDI transmission (collectively, the “Purchase Order”). Notwithstanding anything herein to the contrary, if a written contract signed by both parties is in existence covering the sale of the Goods and Services (“Supplemental Agreement”), the Supplemental Agreement terms and conditions (i) shall prevail to the extent such terms and conditions are inconsistent with these Terms, and (ii) shall serve to supplement these Terms to the extent the Supplemental Agreement does not address terms and conditions stated within these Terms.

(b) The Purchase Order and these Terms (collectively, this “Agreement”) comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Seller’s general terms and conditions of sale regardless of whether or when Seller submitted its sales confirmation or such terms. This Agreement expressly limits Seller’s acceptance to the terms of this Agreement. Fulfillment of Purchase Order constitutes acceptance of these Terms.

2. Delivery of Goods and Performance of Services.

(a) Seller shall deliver the Goods in the quantities and on the date(s) specified in the Purchase Order or as otherwise agreed in writing by the parties (the “Delivery Date”).

(b) Seller shall deliver all Goods to the address specified in the Purchase Order (the “Delivery Point”) during Buyer’s normal business hours or as otherwise instructed by Buyer. Seller shall pack all goods for shipment according to Buyer’s instructions and include a packing slip with all shipments.

(c) Seller shall provide the Services to Buyer as described and in accordance with the Purchase Order.

(d) Seller acknowledges that time is of the essence with respect to Seller’s obligations and the timely delivery of the Goods and Services including all performance dates, timetables, project milestones and other requirements in this Agreement.

3. Shipping Terms. Delivery shall be made DDP Delivery Point. Title and risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point.

4. Inspection and Rejection of Nonconforming Goods. Buyer has the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming, defective, or delivery is not timely. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind this Agreement in its

entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. Seller shall pay return freight on all rejected Goods.

5. Price. The price of the Goods and Services is the price stated in the Purchase Order (the "Price"), and invoices will reflect the Price. Unless otherwise specified in the Purchase Order, the Price includes all packaging, transportation costs to the Delivery Point, insurance, customs duties and fees, and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer.

6. Payment Terms. Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with these Terms. Buyer shall pay all properly invoiced amounts due to Seller within forty-five (45) days after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith.

7. Seller's Obligations Regarding Services. Seller shall:

(a) before the date on which the Services are to start, obtain, and at all times during the term of this Agreement, maintain, all necessary licenses and consents and comply with all relevant laws applicable to the provision of the Services;

(b) comply with all rules, regulations and policies of Buyer, including security procedures concerning systems and data and remote access, building security procedures, and general health and safety practices and procedures;

(c) maintain complete and accurate records relating to the provision of the Services under this Agreement;

(d) obtain Buyer's written consent prior to entering into agreements with or otherwise engaging any person or entity, including all subcontractors and affiliates of Seller, other than Seller's employees, to provide any Services to Buyer (each such approved subcontractor or other third party, a "Permitted Subcontractor");

(e) require each Permitted Subcontractor to be bound in writing by the confidentiality provisions of this Agreement;

(f) ensure that all persons, whether employees, agents, subcontractors, or anyone acting for or on behalf of the Seller, are properly licensed, certified or accredited as required by applicable law and are suitably skilled, experienced and qualified to perform the Services;

(g) ensure that all of its equipment used in the provision of the Services is in good working order and suitable for the purposes for which it is used, and conforms to all relevant legal standards and standards specified by the Buyer; and

(h) keep and maintain any Buyer equipment in its possession in good working order and shall not dispose of or use such equipment other than in accordance with the Buyer's written instructions or authorization.

8. Change Orders. By written instructions provided to Seller, Buyer may issue changes to requested Services at any time.

9. Warranties.

(a) Seller warrants to Buyer that all Goods will: (i) be free from any defects in workmanship, material and design; (ii) conform to applicable specifications; (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 patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by Buyer;

(b) Seller warrants to Buyer that it shall perform the 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 shall devote adequate resources to meet its obligations under this Agreement; and

(c) The warranties will be cumulative and in addition to any other warranty provided by law or equity.

10. Buyer Property. All supplies, tooling, and all other deliverables, data, inventions (whether or not patentable), industrial designs, technical information, know-how, processes of manufacture and other intellectual property provided by Buyer to Seller to provide the Goods or Services are the sole and exclusive property of Buyer.

11. General Indemnification. Seller shall defend, indemnify and hold harmless Buyer and Buyer's parent company, their 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 reasonable attorney and professional 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 the Goods and Services purchased from Seller or Seller's negligence, willful misconduct or breach of the Terms. Seller shall not enter into any settlement without Buyer's prior written consent.

12. Intellectual Property Indemnification. Seller shall, at its expense, defend, indemnify and hold harmless Buyer and any Indemnitee against any and all Losses arising out of or in connection with any claim that Buyer's or Indemnitee's use or possession of the Goods or use of the Services infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Seller enter into any settlement without Buyer's or Indemnitee's prior written consent.

13. Insurance. During the term of this Agreement and for a period of three (3) years thereafter, Seller shall, at its own expense, maintain and carry insurance with financially sound and reputable insurers in full force and effect which includes, but is not limited to, workers compensation as required by statute, commercial general liability (including product liability) in a sum not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate, and

comprehensive automobile liability insurance combined single limit in a sum not less than \$1,000,000 per occurrence.

14. Compliance with Law. Seller shall comply with all applicable laws, regulations and ordinances, including but not limited to, all US export compliance regulations.

15. Termination. In addition to any remedies that may be provided under these Terms, Buyer may terminate this Agreement with immediate effect upon written notice to the Seller, either before or after the acceptance of the Goods or the Seller's delivery of the Services, if Seller has not performed or complied with any of these Terms, in whole or in part. If Buyer terminates the Agreement for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted and Services accepted by Buyer prior to the termination.

16. Waiver. No waiver by Buyer of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Buyer.

17. Confidential Information. All non-public, confidential or proprietary information of Buyer, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by Buyer 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 Agreement is confidential, solely for the purpose of performing this Agreement and may not be disclosed or copied unless authorized in advance by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section.

18. Force Majeure. Neither party shall be liable to the other for any delay or failure in performing its obligations under this Agreement to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("Force Majeure Event"). If a Force Majeure Event prevents Seller from carrying out its obligations under this Agreement for a continuous period of more than ten (10) business days, Buyer may terminate this Agreement immediately by giving written notice to Seller.

19. Assignment. Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under this Agreement without the prior written consent of Buyer.

20. Law and Jurisdiction. This Agreement shall be construed in accordance with the laws of the State of Michigan without regard to its conflicts of laws provisions. Any legal suit, action or proceeding arising out of or relating to this Agreement 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 Oakland County, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

21. Notices. All notices, requests, consents, claims, demands, waivers, and other communications shall be in writing and addressed to the parties at the physical addresses or email addresses set forth on the Purchase Order or Supplemental Agreement.

22. Survival. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Agreement.

23. Amendment and Modification. These Terms may only be amended or modified in a writing stating specifically that it amends these Terms and is signed by an authorized representative of each party.