

ACE THERMAL SYSTEMS, INC.
TERMS AND CONDITIONS OF PURCHASE

1. Agreement. These Terms and Conditions of Purchase (these “Terms”) are the only terms which govern the purchase of goods and/or services (the “Goods”) by ACE Thermal Systems, Inc. (“Buyer”) from the seller (“Seller”), and shall apply to any order of Goods or Services from Seller by Buyer now or in the future, in each case excluding any written agreements executed by Buyer and Seller. Any purchase order from Buyer (the “Purchase Order”) and these Terms (collectively, the “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, pertaining to the Goods. The Agreement expressly limits Seller’s acceptance to the terms of the Agreement. No terms or conditions set forth in any future correspondence between Buyer and Seller shall alter or supplement this Agreement unless in a writing signed by authorized representatives of the parties. These Terms prevail over any of Seller’s general terms and conditions of sale regardless of whether or when Seller has submitted its terms. Fulfillment of the Purchase Order constitutes acceptance of these Terms. These Terms are intended to be applicable to any Purchase Order issued by Buyer except as provided above, and the parties’ entering into these Terms does not guarantee or assure Seller of any Purchase Orders or any particular Purchase Order being issued by Buyer.

2. Delivery and Performance. 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”). If no Delivery Date is specified, Seller shall deliver the Goods within thirty (30) days of Seller’s receipt of the Purchase Order. If Seller fails to deliver the Goods in full on the Delivery Date, Buyer may terminate this Agreement immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller’s failure to deliver the Goods on the Delivery Date. Buyer has the right to return any Goods delivered prior to the Delivery Date at Seller’s expense and Seller shall redeliver such Goods on the Delivery Date. 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 or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Seller must provide Buyer prior written notice if it requires Buyer to return any packaging material. Any return of such packaging material shall be made at Seller’s risk of loss and expense.

Seller shall provide any Goods consisting of services to Buyer as described and in accordance with the schedule set forth on the Purchase Order and in accordance with the terms and conditions set forth in these Terms. If no schedule is provided, the services shall be completed within thirty (30) days from the date of the Purchase Order.

Seller acknowledges that time is of the essence with respect to Seller’s obligations hereunder and the timely delivery of the Goods

, including all performance dates, timetables, project milestones and other requirements in the Agreement. Seller shall perform its obligations under the Agreement with respect to production, delivery, and performance, notwithstanding any dispute arising out of or relating to this Agreement.

3. Quantity. Seller shall deliver to Buyer no less than the quantity of Goods ordered. If Seller delivers more than the quantity of Goods ordered, Buyer may reject all or any excess Goods. Any such rejected Goods shall be returned to Seller at Seller’s sole risk and expense.

4. Shipping Terms. Delivery shall be made in accordance with the terms of the Purchase Order, but if not specified DDP the Delivery Point. The Purchase Order number must appear on all shipping documents, shipping labels, bills of lading, invoices, correspondence and any other documents pertaining to the Purchase Order.

5. Title and Risk of Loss. Title and risk of loss passes to Buyer upon delivery and acceptance of the Goods at the Delivery Point.

6. Inspection and Rejection of Nonconforming Goods. Buyer has the right to inspect the Goods at any time. 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 or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind the Agreement in its entirety; (b) accept the Goods at a reasonably reduced price based upon the value of the Goods as defective, but in any event not less than a thirty percent (30%) reduction from the Price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Seller shall, at its expense, promptly replace the nonconforming or defective Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective Goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with Goods from a third party and charge Seller the cost thereof and terminate this Agreement for cause pursuant to Section 15. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Seller’s obligations under the Agreement, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions. Seller shall, at Buyer’s request and Seller’s cost, sort any quantity of the Goods from which a nonconforming or defective Good was discovered.

7. Change Orders. Buyer may at any time, by written instructions issued to Seller (each a “Change Order”), order changes to the Goods. Seller shall, within seven (7) days of receipt of a Change Order, submit to Buyer a firm cost proposal for the Change Order, and if Seller fails to do so, the Change Order shall be deemed a part of the Agreement without any change to the Price or time for performance. If Buyer accepts such cost proposal, Seller shall proceed with the changes subject to the cost proposal and the

terms and conditions of this Agreement. If Buyer rejects the cost proposal, Buyer, at its election, may: (i) order Seller to proceed as if the Change Order was not issued; or (ii) order Seller to proceed with the Change Order, without prejudice to Seller's right to pursue the reasonable cost and performance delay of such Change Order. Seller acknowledges that a Change Order may or may not entitle Seller to an adjustment in the Seller's compensation or the performance deadlines under this Agreement. Seller may not alter the content, specifications, performance metrics, or any other aspect of the Goods, except as initiated by Buyer pursuant to this Section 7.

8. Price. The price of the Goods is the price stated in the Purchase Order (the "Price"). If no price is included in the Purchase Order, the Price shall be a reasonable, wholesale price for comparable Goods. Unless otherwise specified in the Purchase Order, the Price includes all packaging, transportation, custom duties, taxes, and insurance. 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. Seller warrants that the Price is its lowest price made available to any buyer of substantially similar Goods in comparable quantities in the three (3) months prior to and after the date of the Purchase Order. If this warranty is or becomes untrue, Seller shall automatically adjust the Price to make it true, and if applicable refund the difference to Buyer.

9. 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; provided, Buyer shall have no obligation to pay any invoice delivered to Buyer more than sixty (60) days after the Delivery Date. Unless otherwise stated on the Purchase Order, Buyer shall pay all properly invoiced amounts due to Seller net ninety (90) days (1.5% discount net 30 days) after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith. All payments hereunder must be in US dollars. Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller or the projected value of a dispute with Seller against any amount payable by Buyer to Seller. The parties shall seek to resolve all such disputes expeditiously and in good faith. Seller shall continue performing its obligations under this Agreement notwithstanding any such dispute.

10. Seller's Obligations Regarding Services. Seller shall: (a) before the date on which Goods that are 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 thereto, building security procedures, including the restriction of access by Buyer to certain areas of its premises or systems for security reasons, and general health and safety practices and procedures; (c) maintain complete and accurate records relating to the provision of the services under this Agreement, including records of the time spent and materials used by Seller in providing the services in such form as Buyer shall approve. During the term of this Agreement and for a period of three (3) years thereafter,

upon Buyer's written request, Seller shall allow Buyer to inspect and make copies of such records and interview Seller personnel in connection with the provision of the services; (d) obtain Buyer's written consent, which shall not be unreasonably withheld or delayed, 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"). Buyer's approval shall not relieve Seller of its obligations under the Agreement, and Seller shall remain fully responsible for the performance of each such Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this Agreement; (e) require each Permitted Subcontractor to be bound in writing by the confidentiality provisions of this Agreement, and, upon Buyer's written request, to enter into a non-disclosure agreement or intellectual property assignment, or license agreement in a form that is reasonably satisfactory to Buyer; (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 not dispose of or use such equipment other than in accordance with the Buyer's written instructions or authorization.

11. Warranties. Seller warrants to Buyer 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 Buyer; (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. The warranties in (i), (iii), and (iv) shall be for a period of two (2) years from the date of delivery to Buyer, or such longer period as provided in the Purchase Order.

Seller further warrants to Buyer that it shall perform any 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.

The warranties set forth in this Section 11 are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Goods with the foregoing warranties. If Buyer gives Seller notice of noncompliance pursuant to this Section, Seller shall, at its own cost and expense, promptly replace, repair, or re-perform, as the case may be, the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the

defective or nonconforming Goods to Seller and the delivery of repaired or replacement Goods to Buyer.

12. General Indemnification. Seller shall defend, indemnify and hold harmless Buyer and Buyer's subsidiaries, affiliates, successors and assigns and their respective members, managers, 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 attorneys 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 purchased from Seller, or Seller's negligence, willful misconduct, breach of this Agreement, or any claim that the Goods infringe or misappropriate any intellectual property rights of any third party. In addition to the Losses, in a claim for intellectual property infringement, Seller shall: (i) at its cost, procure a license for continued use of the Goods; (ii) modify the Goods so that they are no longer infringing, with Goods that are as good of quality and in accordance with Buyer's requirements; or (iii) replace the Goods with Goods that are not infringing and that are as good of quality and in accordance with Buyer's requirements. Seller shall not enter into any settlement without Buyer's prior written consent.

13. Insurance. During the term of the Agreement, and for a period of one (1) year thereafter, Seller shall, at its own expense, maintain and keep in effect insurance that is commercially reasonable, including but not limited to: (a) commercial general liability insurance, including product liability, in an amount of not less than \$2,000,000 per occurrence and \$2,000,000 in the annual aggregate, with a deductible or self-insured retention of no more than \$25,000; (b) if Services are to be provided at any Buyer facility, workers' compensation insurance as is required by applicable law, and employer's liability insurance in an amount not less than \$1,000,000 per disease, per accident, and per employee; and (c) if Services are to be provided at any Buyer facility, automobile liability insurance in an amount not less than \$1,000,000 single limit, with a deductible or self-insured retention of no more than \$25,000. If Buyer reasonably determines that any Goods supplied by Seller pose a potential aviation aircraft safety risk, Buyer may require Seller to obtain aviation product liability insurance with limits and deductibles as reasonably required by Buyer.

Each insurance policy required by this Section 13 shall be issued by an insurer with an A- or better rating with A.M. Best Company. Within five (5) days after request by Buyer, Seller shall provide Buyer with a certificate of insurance from the insurer evidencing the insurance coverage required. Buyer shall be named an additional insured on the policies required under subsections (a) and (b) above. No such policy may be cancelled or modified within thirty (30) days written notice to Buyer. Except where prohibited by law, Seller shall require its insurers to waive all rights of subrogation against Seller and its insurers.

14. Compliance with Law. Seller shall comply with all applicable laws, regulations and ordinances. Seller shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this

Agreement. Seller shall comply with all export and import laws of all countries involved in the sale of the Goods under this Agreement or any resale of the Goods by Seller. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. Buyer may terminate this Agreement if any governmental authority imposes antidumping or countervailing duties or any other penalties on Goods.

15. Termination for Cause. 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, if Seller has not performed or complied with any of these Terms, in whole or in part. If the Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then the Buyer may terminate this Agreement upon written notice to Seller. If Buyer terminates the Agreement under this Section 15, Seller's sole and exclusive remedy is payment for the Goods received and accepted by Buyer prior to the termination.

16. Termination Without Cause. Buyer may terminate the Agreement in whole or in part without cause, by written notice to Seller. In that event, Buyer shall reimburse Seller as provided in Section 15, plus Seller's cost in producing and purchasing work-in-process Goods as of the date of notice of termination, contingent upon Seller's delivery of such work-in-process to Buyer. If Buyer is determined not to have cause to terminate the Agreement pursuant to Section 15, it shall be deemed a termination without cause pursuant to this Section 16.

17. 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. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement 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.

18. 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. This Section 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. Seller may disclose such confidential information of Buyer to Seller's authorized

subcontractor, provided that subcontractor has obligated itself in writing to maintain such information confidential in the same manner as Seller is so obligated.

19. 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"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fires, earthquakes, explosions, epidemics, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riots, or other civil unrest. Seller's economic hardship or changes in market conditions, including but not limited to tariffs, are not considered Force Majeure Events. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under this Agreement. If a Force Majeure Event prevents Seller from carrying out its obligations under this Agreement for a continuous period of more than fifteen (15) business days, Buyer may terminate this Agreement immediately by giving written notice to Seller.

20. Drawings and Specifications Review. If Buyer representatives review designs, drawings, specifications, or other data developed by Seller in connection with the Agreement, no such review or any approval or change proposed shall relieve Seller of its responsibility for the quality, specifications, or performance of the Goods.

21. Tooling. Unless otherwise specified in the Agreement, Seller, at its cost, shall be required to provide any tooling required for the production of the Goods, and shall repair or replace any such tooling as is reasonably required to continue the constant supply the Goods. If any tooling or other property of Buyer is used by Seller in connection with its performance under the Agreement: (a) Seller shall not use such property for any purpose, other than performance under the Agreement; (b) Seller shall at its cost keep such property in good condition and repair, reasonable wear and tear excepted; and (c) at any time upon Buyer's request, Seller shall make such property available for pickup or delivery to Buyer.

22. Inventory Sale to Third-Parties. Certain of the Goods may be approved for use in aircraft by the Federal Aviation Administration (FAA) or other applicable government airworthiness agencies, because they are produced under the authority of Buyer as the "Production Approval Holder" as defined in FAA Advisory Circular 21-29C or similar authority under non-U.S. Law ("Buyer Approved Parts"). Seller acknowledges and agrees that Buyer Approved Parts cannot be sold, transferred, or used by Seller, except for the sale of such Buyer Approved Parts pursuant to the Agreement.

23. Additional Legal Requirements. Certain of the Goods may be sold or used in connection with an acquisition by the U.S. Government, which acquisition will require Buyer to comply with

applicable requirements of the Federal Acquisition Regulations (FAR) and/or Defense Federal Acquisition Regulations Supplement (DFARS) (the "Government Requirements"). To the extent the Government Requirements are applicable to Buyer, such Government Requirements are incorporated into the Agreement and applicable to Seller, as if Seller is the "Contractor" specified in the Government Requirements.

24. Intellectual Property Rights. Except as set forth herein, each party shall retain any and all intellectual property ("IP"), including but not limited to patents, trademarks, copyrights, and trade secrets, existing prior to the date of the Purchase Order ("Existing IP"). Any IP developed by Seller in connection with its performance under the Agreement, including any improvements or modifications to the Seller IP, shall be deemed to be the property of Buyer ("Contract IP"), either deemed "work made for hire" or to be assigned by Seller to Buyer upon Buyer's request. Seller additionally grants Buyer a royalty-free, perpetual, assignable license to use the Seller Existing IP to the extent necessary to exploit the Contract IP. Seller agrees to cooperate with Buyer in Buyer pursuing any type certification for any of the Goods with the FAA and any other applicable government airworthiness agencies ("Certification"), and Seller covenants that it will not, without the written consent of Buyer, apply for or otherwise pursue any Certification.

25. 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. Any purported assignment or delegation in violation of this Section shall be voidable at the election of Buyer. No assignment or delegation shall relieve the Seller of any of its obligations hereunder. Buyer may at any time assign or transfer any or all of its rights or obligations under this Agreement without Seller's prior written consent to any affiliate or to any person acquiring all or substantially all of Buyer's assets, in which case Buyer shall be relieved of any liability hereunder.

26. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall 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 shall have authority to contract for or bind the other party in any manner whatsoever.

27. No Third-Party Beneficiaries. This Agreement 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 shall 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 Agreement.

28. Governing Law; Remedies. All matters arising out of or relating to this Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other

jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Delaware. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Agreement. Buyer's rights and remedies under this Agreement are cumulative and in addition to any other rights or remedies available at law or in equity.

29. Exclusive Jurisdiction. Any dispute, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of Delaware, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such dispute, action or proceeding.

30. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the Purchase Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), electronic mail (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, 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.

31. Severability. In the event any of the terms and conditions contained herein is held to be invalid, illegal or unenforceable for any reason, such invalidity, illegality or unenforceability shall not

affect any other term or condition or invalidate or render unenforceable such term or provision.

32. No Publicity. Seller shall not in any manner advertise, publish, or otherwise disclose the fact that it has furnished Buyer, or contracted to furnish Buyer, any Goods, without the prior written consent in each instance by Buyer.

33. Equal Opportunity. Seller and Buyer shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as a protected veteran or individual with a disability, and require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals with disabilities and veterans. EO 13496: The requirements at 29 CFR Part 471, Appendix A to Subpart A are also hereby incorporated by reference.

34. 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. The sections of this Agreement which are intended to survive its termination shall so survive, including but not limited to, Sections 8, 9, 10, 11, 12, 13, 14, 18, 20, 21, 22, 24, 28, 29, 33, 34, and 35.

35. Entire Agreement. The Agreement constitutes the entire agreement of the parties with respect to the matters contemplated herein, and cannot be modified except in a writing signed by the parties.