

**THIS AGREEMENT IS SUBJECT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT (TITLE 15 CHAPTER 48)
OR THE FEDERAL ARBITRATION ACT (9 U.S.C. §§1-16).**

APPLICABILITY; PRIORITY. Purchase of any systems or products (**Work**) from Thor Precision, Inc. (**TPI**) is expressly conditioned on Customer's assent to all provisions contained in these Customer Terms and Conditions (**Terms**). These Terms (1) are expressly incorporated by reference into any quotations provided by TPI (**Quotes**) as if fully stated therein; and (2) may be changed at any time effective to subsequently issued Quotes. These Terms and the Quote collectively may be referred to as the **Agreement** and constitute the valid, binding agreement between TPI and Customer. Unless individually identified, reference to the Terms herein will include the Quote. In the event of conflict, Quote provisions supersede these Terms. Customer's assent hereto may be manifested by issuance of a purchase order, statement of intent, or any action requesting Work or performance by TPI. Absent TPI's express prior consent, Customer's additional, different, or contrary terms (including modifications to these Terms) are hereby rejected and of no effect.

QUOTES; CHANGE ORDERS. Quotes are valid only if in writing. Quotes are firm for 30 days from quotation date unless (1) otherwise stated on the Quote; or (2) TPI revokes the Quote by oral or written notice prior to acceptance of Customer's purchase order. Changes to a Quote (**Change Orders**) (1) may be requested by Customer or proposed by TPI; (2) must be documented; (3) are effective and binding only if signed by both parties prior to the change; (4) modify the Terms and an applicable purchase order only as expressly and specifically enumerated; and (5) automatically become part of these Terms.

ORDERS; SHIPMENT; PAYMENT. Work will be shipped F.O.B. shipping point. All risk of loss, damage, or delay will pass to the Customer upon release of the Work to the carrier, and Customer will hold TPI harmless for any such damage occurring following TPI's release. Customer will make full payment for the Work within the stated payment terms on the quotation, following TPI's invoice date.

DELIVERY; FORCE MAJEURE. Unless otherwise stated in a Quote, TPI will use best efforts but will not guarantee Work delivery times. TPI will not be responsible for delivery or shipment delays. TPI will not have liability for any inability to perform its obligations to Customer caused by any event or condition not reasonably within TPI's control (including acts of God, war, civil strife, labor unrest, supplier issues, transportation delays, or by any law, rule, regulation, order or any other action of any public authority) (**Force Majeure**). In the event of a Force Majeure, (1) TPI will be excused, discharged and released from performance to the extent such performance is so limited, delayed or prevented, without liability; and (2) Customer may cancel its purchase order pursuant to the cancellations provisions in this Agreement.

CANCELLATIONS. Customer may cancel stock orders prior to shipment without charge. Customer may cancel made-to-order Work but agrees to pay all development, material, labor, and production costs incurred by TPI up to the point of cancellation. Customer may not cancel any order after TPI's shipment except for non-conforming or defective Work.

RETURNS. All sales are final absent (1) non-conforming or defective Work or (2) TPI's prior written authorization. Customer is responsible to inspect, notify TPI of any non-conformity or defect, and prepare the Work for return shipping in its original container within ten days after delivery. TPI will

arrange and pay for return shipping of non-conforming or defective Work. All other authorized returns must be in first-class saleable condition, have shipment prepaid by Customer, are subject to TPI's inspection upon receipt, and may be subject to a return charge (in TPI's sole discretion).

TAXES. Unless otherwise expressly stated in the Quote, TPI's quoted prices do not include international, federal, state, or local sales, use, excise taxes, tariffs, or fees (**Taxes**). Customer is liable for any such Taxes. TPI's failure to collect Taxes with the initial invoiced amount will not bar TPI from subsequently billing and collecting such Taxes from Customer.

GOVERNMENT REGULATIONS. Customer will comply with all governmental laws and regulations and shall secure all necessary approvals, if any, applicable to the sale, delivery, and use of the Work, as well as any other conduct contemplated by Customer's purchase of the Work. Customer is solely responsible for the installation and the operation of the Work in a safe manner and in conformance with all applicable codes and regulations, including the United States Occupational Safety & Health Act.

OWNERSHIP. TPI will have sole and exclusive ownership of any and all technical specifications, research, reports, studies, data, documentation, inventions, discoveries, intellectual property thereto, and all derivative rights (**Inventions**) generated by TPI in the course of, incorporated in, or otherwise relating to the Work. TPI will automatically own any and all right, title, and interest to such Inventions. Upon request, Customer will execute such applications, assignments, and instruments acknowledging and protecting TPI's ownership in the Inventions. Customer will retain sole and exclusive ownership of any Inventions generated by Customer and provided for TPI to provide the Work.

WARRANTIES; REMEDIES.

Warranties; Limitations. EXCEPT AS EXPRESSLY AND EXHAUSTIVELY CONTAINED IN THE AGREEMENT, TPI MAKES NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY KIND REGARDING THE WORK. TPI EXPRESSLY EXCLUDES WARRANTIES (1) OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE; AND (2) THAT THE WORK IS COMPATIBLE IN FIT, FORM, OR FUNCTION WITH ANY THIRD-PARTY PRODUCTS NOT ASSEMBLED BY TPI INTO THE WORK. TPI warrants that made-to-order Work only conforms to its technical specifications and is free of defect in material and workmanship for one year from the Work's shipment date. TPI's warranties do not apply to (1) in-stock products that TPI has not altered (although TPI will use commercially reasonable efforts to transfer original manufacturer warranties to Customer); (2) third-party components that Customer directs TPI to incorporate into the Work; (3) components supplied by Customer; (4) Work that has been modified, altered, or repaired after TPI's release to the shipping carrier; or (5) Work transferred to third-parties other than Customer.

Remedies. In the event of a warranty breach, Customer's sole and exclusive remedy will be -- at TPI's discretion -- the lesser of (1) repairs or replacement with conforming Work; or (2) refunding all or a portion of Customer's purchase price (based on what part of the non-conforming Work Customer is nevertheless able to use). TPI WILL NOT BE LIABLE FOR

INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES RESULTING FROM TPI'S BREACH OF THIS AGREEMENT OR A WARRANTY, WHETHER KNOWN OR UNKNOWN AND REGARDLESS OF NOTICE,

INDEMNITY.

TPI's Indemnification Obligations. TPI will indemnify, defend, and hold Customer harmless for any losses, liabilities, claims, damages, costs, and expenses (including attorneys' fees and other expenses of litigation) (collectively, **Losses**) resulting from the following: (1) TPI's breach of its obligations, representations, and warranties contained in this Agreement; (2) TPI's negligence, gross negligence, or willful misconduct relating to the performance of its obligations under the Agreement; (3) TPI's violation of applicable law or governmental regulation; (4) any defect in Inventions created solely by TPI; and (5) any manufacturing or warranty defect in the Work.

Customer's Indemnification Obligations. Customer will indemnify, defend, and hold TPI harmless for any Losses resulting from the following: (1) Customer's breach of its obligations, representations, and warranties contained in this Agreement; (2) Customer's negligence, gross negligence, or willful misconduct relating to the performance of its obligations under the Agreement; (3) Customer's violation of applicable law or governmental regulation; (4) any defect in Inventions provided by Customer; and (5) any alteration, modification, or damage to the Work after delivery by TPI or related to Customer's direct act, omission, or failure to properly handle the Work.

Procedure. The claiming party shall promptly notify the indemnifying party, in writing, of the claim for indemnifiable damages (**Notice of Claim**). The Notice of Claim shall provide the indemnifying party with reasonable notice as to the nature of the claim by including its factual and contractual (if applicable) bases. If the Notice of Claim relates to a claim or demand asserted by a third party against the claiming party, then the indemnifying party may employ counsel (reasonably acceptable to the claiming party) to defend the claim, and the claiming party shall cooperate in defending against the claim. The indemnifying party shall notify the claiming party, in writing, within 30 days after the date of the Notice of Claim of its election to defend. As long as the indemnifying party is defending against the claim, in good faith, the claiming party will not settle or compromise the claim. The claiming party will make available to the indemnifying party, or its agents, all records or other materials in the claiming party's possession reasonably required for use in defending against the claim. If the indemnifying party fails to defend, then the claiming party may employ legal counsel of its choice, the expense for which shall be borne by the indemnifying party.

DISPUTE RESOLUTION. If a dispute arises related to the subject matter of this Agreement that cannot be resolved by the parties, then either party may initiate arbitration by notifying the other. The dispute will be arbitrated under authority of the South Carolina Uniform Arbitration Act (SC Code Title 15 Chapter 48) or the Federal Arbitration Act (9 USC §§1-16), but, subject to the provisions of this Section,

will proceed in accordance with the CPR Non-Administered Arbitration Rules effective November 1, 2007 (see, www.cpradr.org). Within five business days after such notice, the parties will in good faith attempt to select a single arbitrator; if they cannot, then each party will select (at its expense) a neutral who will collectively select a third neutral to arbitrate the matter. If either party fails to select a neutral for this purpose, then the neutral selected by the performing party shall either arbitrate the matter or select another arbitrator, which arbitrator may be (but is not required to be) a CPR neutral and will solely arbitrate the matter. The place of arbitration shall be in Greenville County, South Carolina. Unless otherwise agreed by the parties, the arbitration will take place within 60 days of the notice initiating arbitration. Unless otherwise determined by the arbitrator, the prevailing party will be entitled to be paid all of its out-of-pocket costs, including fees for legal services and arbitrators' fees related to the arbitration, including the selection of the arbitrator. The assessment of legal fees will also apply to the extent of any action taken in a court of law to enforce the arbitrator's decision. Judgment upon an arbitrator's decision may be entered by any court having jurisdiction over the affected party. Notwithstanding the foregoing, either party may institute legal action with a court of competent jurisdiction to enjoin the other party from violating the non-disclosure provisions in this Agreement; such action may be initiated in Greenville County, South Carolina. The parties agree that a \$10,000 bond shall be adequate security with respect to any injunction which may issue, but shall in no way otherwise limit damages suffered by either party, the determination of which shall be subject to arbitration.

INDEPENDENT CONTRACTOR. TPI will perform or provide the Work solely as an independent contractor. This Agreement creates no actual or apparent agency, partnership, franchise, or employer/employee relationship between the parties. TPI's employees are not entitled to participate in any Customer benefits, including without limitation any health or retirement plans. Customer is not liable for taxes, workers' compensation, unemployment insurance, employers' liability, employer's FICA, social security, withholding tax, or other taxes or withholding for or on behalf of TPI's employees. All such obligations are TPI's responsibility.

GENERAL PROVISIONS. (1) This Agreement constitutes the parties' entire agreement and may not be modified except in writing signed by all parties. (2) Customer may not assign its rights or obligations hereunder without TPI's prior written consent. (3) All notices shall be deemed sufficiently given if delivered in any traceable manner to the addresses set forth on the Quote (for TPI) and Purchase Order (for Customer). (4) The rights and obligations hereunder will inure to the benefit of (and be binding upon) the parties and their affiliates, successors, and assigns. (5) Any interpretation will be based upon South Carolina law, without application of conflicts of laws principles. (6) Subject to the dispute resolution provisions, the parties hereby irrevocably submit to the jurisdiction (and waive any claim of inconvenient forum) of the state or federal courts located in Greenville County, South Carolina USA, for any suit or action arising relating to this Agreement. (7) Each party has had the opportunity to receive independent legal advice regarding this Agreement and the meaning of its provisions.