

Royal Aero GmbH („RA“)

Purchase Order Terms and Conditions

General Provisions

1. **DEFINITIONS:** The following definitions will apply to this Purchase Order.

Contractor or Buyer: RA or its subsidiaries

Contract, Subcontract or P.O.: These terms are used interchangeably and refer to this contractual instrument.

Purchasing Agent: The only individual authorized to commit RA – the Buyer.

Subcontractor, Supplier, Seller or Vendor: The legal entity to whom this Purchase Order (P.O.) is issued.

2. **APPLICABLE LAW:** This Purchase Order shall be governed by and construed in accordance with the laws of the Germany except that the choice of laws provisions thereof will not be invoked to apply the laws of another jurisdiction. Pursuant to Article 6 of the Convention on the International Sale of Goods (“CISG”), buyer and seller expressly elect to exclude and opt out of any application of CISG provisions to this PO.

3. **COMPLIANCE WITH LAW:** Seller shall comply with all applicable federal, state and local laws, rules, regulations and orders in effect on the date of this order. Seller agrees to indemnify and hold Buyer harmless against any loss or liability due to Seller’s violation or non-compliance with such regulations. Upon Buyer’s request, Seller shall furnish evidence demonstrating such compliance.

4. **ACCEPTANCE OF PURCHASE ORDER:** This Purchase Order contains the entire agreement of the parties and expressly limits acceptance to the terms and conditions stated. Any terms and conditions proposed by Seller inconsistent with or in addition to terms and conditions hereof are objected to and void unless agreed to in writing by the Buyer.

5. **SETOFF:** Buyer shall have the right at all times to setoff any amount due or payable to Seller hereunder against any claim or charge Buyer may have against Seller.

6. **PAYMENT TERMS:** Unless otherwise specified in this Purchase Order, terms of payment are “Net 30 days”.

7. **INVOICES:** An itemized invoice shall be submitted in duplicate to the address shown on the face of the order to the attention of the Accounts Payable Department. In order to support rapid processing of invoice for payment, the invoice should contain the Purchase Order Number, Packing List number, description of supplies / services furnished, quantity, unit prices and total price. Payment of invoices may be delayed pending correction of any errors or omissions.

8. **WARRANTY OF SUPPLIES / SERVICES:** Seller warrants that all supplies / services furnished under this Purchase Order will be of good material and workmanship and free of defects and will comply with Buyer’s Quality Manual requirements. Seller further warrants that the supplies / services will be merchantable and suitable for the purpose intended. These warranties shall survive inspection, acceptance and payment. Supplies / Services that do not conform to the above warranties may, at any time within twenty-four (24) months after delivery to Buyer, be rejected and returned to Seller, at Seller’s expense, for correction or replacement. If Seller does not promptly correct or replace same, Buyer may correct or replace the non-confirming supplies / services at Seller’s expense. The forgoing warranties are in addition to all other warranties expressed or implied by law including incidental or consequential damages.

9. TERMINATION FOR DEFAULT: Buyer may, without liability and in addition to any other rights and remedies provided herein or by law, terminate this order in whole or in part by written notice of default if Seller (a) fails to deliver the supplies or perform the services within the time specified; or (b) fails to make sufficient progress with the work, thereby endangering completion of performance within the time specified; or (c) fails to comply with any of the other instructions, terms or conditions of the Purchase Order. Buyer's right to terminate for default may be exercised if Seller does not cure the failure within ten (10) days after receiving Buyer's notice of such failure. If Buyer terminates this order in whole or in part, Buyer may purchase similar supplies or services from others and Seller shall be liable for any additional costs above the original price for the terminated supplies / services.

10. PATENT, TRADEMARK AND COPYRIGHT INDEMNITY: Seller agrees to indemnify, defend and hold harmless Buyer, its customer and those for whom Buyer may act as agent from any costs, expenses, damages or liability that Buyer may incur as a result of any proceedings charging infringement of any patent, trademark or copyright by reason of sale or use of any supplies / services / data furnished by Seller. Seller shall have no liability regarding alleged patent infringement for supplies furnished to Buyer in accordance with Buyer's design specifications.

11. PACKAGING AND PACKING: Seller shall be responsible for properly packing and packaging the supplies in suitable containers for protection during shipment in accordance with transportation regulations and good commercial practice. No additional charge will be allowed for packing and packaging unless specifically agreed to in writing.

12. TRANSPORTATION CHARGES: Unless otherwise provided in this Purchase Order, transportation charges shall be prepaid and separately invoiced to Buyer. No premium transportation costs will be allowed unless authorized by Buyer.

13. WAIVER OF RIGHTS: Failure of either party to insist on performance of any provision of this Purchase Order shall not be construed as a waiver of that provision or any waiver of Buyer's or Seller's right to require compliance with such provision in any later instance. If any provision of this Purchase Order is found to be illegal or unenforceable under law, that provision shall be deleted; however, all other provisions of this shall not be affected thereby and shall remain in full force an effect.

14. TITLE AND RISK OF LOSS: Unless otherwise provided in this Purchase Order, the F.O.B. point shall be the delivery destination indicated in this Purchase Order and title to the supplies and risk of loss or damage shall pass to Buyer upon Buyer's acceptance of supplies regardless of where Buyer takes physical possession. If the F.O.B point is designated as the Seller's location, then title and risk of loss or damage to the supplies shall pass to Buyer upon Seller's delivery of the supplies to the carrier.

15. NO EXTRA CHARGES: The total price payable to Seller shall be stated in this Purchase Order. The price shall not be increased to cover any future Seller price increases and shall be inclusive of packing, packaging and cartage, premium transportation charges, reusable containers, service or carrying charges, permits, fees and licenses or any other charges whatsoever unless specifically agreed to in writing by Buyer.

16. LIMITATION OF LIABILITY: The Buyer's liability to Seller hereunder shall not, under any circumstances, be greater than the total dollar amount of the Sale indicated herein. This clause shall have precedence over all other Purchase Order Terms and Conditions.

17. ENTIRE PURCHASE ORDER: This Purchase Order constitutes the entire agreement between Seller and Buyer regarding this procurement and supersedes all previous oral and written agreements and commitments. No terms and conditions of sale set forth in Seller's

quotation or acknowledgement shall be included as part hereof, nor shall any prior course of dealing, customs or usage in the trade supersede or modify any Purchase Order provisions. Any subsequent additions, deletions or modifications to this agreement shall not be binding upon the parties unless same are mutually agreed upon and incorporated herein in writing.

17. ALL SHIPMENTS MADE UNDER THIS SALE WILL COMPLY WITH THE COMMISSION OF THE EUROPEAN COMMUNITIES' EMERGENCY MEASURES REQUIRING THE TREATMENT AND MARKING OF ALL NEW AND USED CONIFEROUS NON-MANUFACTURED WOOD PACKING MATERIAL (NMWP) BY BEARING A MARK ON ALL NMWP WHICH IDENTIFIES THE NMWP AND ITS ORIGIN.
