



BINDING TERMS & CONDITIONS OF SALE FOR COMPAERO CUSTOMERS

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The sale of products and services ("Products") by Compaero, Inc. are subject to these terms and conditions ("Agreement") regardless of other or additional terms or conditions that conflict with or contradict this Agreement in any purchase order, document, or other communication ("Order"). Preprinted terms and conditions on any document of customer ("Customer") (for example: Orders or confirmations) and/or Compaero' failure to object to conflicting or additional terms will not change or add to the terms of this Agreement.

1. ORDERS

All Orders are subject to acceptance by Compaero. Orders for special, customized, and value-added Products and Products specifically identified by Compaero as non-standard are obtained and/or manufactured specifically for the Buyer. These Products are designated as "NC/NR", and may not be cancelled, rescheduled, changed or returned without prior written consent.

1a. PRODUCT RETURN

Customer may return Products to Compaero only with a return material authorization ("RMA") number issued by Compaero. Customer must notify Compaero in writing of any damage to the outer packaging or other desire to return Products within 10 days after receipt of the shipment; otherwise, Customer is deemed to have accepted the Products. RMAs will be issued only for defects created solely by Compaero or the original manufacturer, and only if Customer satisfies the notice requirement. RMAs will not be granted for damage, shortage, or other discrepancy created by Customer, the carrier or freight provider, or any other third party. Product return pursuant to a warranty requires written notice from Customer to Compaero within the warranty period detailing the Product defect. Customer must return the Products to Compaero freight prepaid in original manufacturer's shipping cartons or equivalent, along with acceptable proof of purchase, within the warranty period and as specified in the RMA. At Compaero' discretion, Compaero will return all Products not eligible for return to Customer, freight collect, or hold Product for Customer's account at Customer's expense.

2. PRICES

Prices are subject to change at any time. Prices are for Products only and do not include taxes, shipping charges, freight, duties, and other charges or fees, such as fees for special packaging and labeling of the Products, permits, certificates, customs declarations and registration (collectively, "Additional Fees"). Customer is responsible for any Additional Fees. Prices stated are in US Dollars.

3. TERMS OF PAYMENT

Credit cards accepted include major credit cards, including MasterCard, VISA and American Express. Credit Card billing information must be verified on new customers prior to shipment of order. Payment via net 30 days, or other terms payment arrangements, (e.g. 1% 10/NET 30 "discounted terms"), may be made upon approval from Compaero, and in compliance with these terms. For customers with discounted terms arrangements, credit card payments are accepted with forfeiture of the negotiated discount. All customers paying by credit card, regardless of terms arrangement, must submit payment no later than 10 business days from the date of invoice, or will be subject to a 3% surcharge.

Customer agrees to pay the entire net amount of each invoice from Compaero pursuant to the terms of each such invoice, without offset or deduction. Discounts may only be applied if previously approved by Compaero in writing as having discounted terms, Customer's credit is in good standing and Customer is within compliance of all other terms and conditions. Orders are subject to credit approval by Compaero, which may in its sole discretion at any time change the terms of Customer's credit, require payment in cash, bank wire transfer/EFT/ACH or by official bank check, and/or require payment of any or all amounts due or to become due for Customer's order before shipment of any or all of the Products. If Compaero reasonably believes that the Customer's ability to make payments may be impaired or if Customer fails to pay any invoice when due, Compaero may suspend delivery of any order or any remaining balance thereof, until such payment is made or cancel any order or any remaining balance thereof. Customer will remain liable to pay for any Products already shipped and all Non-Standard Products ordered by Customer. Customer agrees to submit such financial information as Compaero may require for determination of credit terms and/or continuation of credit terms. Checks are accepted subject to collection and the date of collection will be deemed the date of payment. Any check received from Customer may be applied by Compaero against any obligation owing by Customer to Compaero under this or any other contract, regardless of any statement appearing on or referring to such check, without discharging Customer's liability for any additional amounts owing by Customer to Compaero. The acceptance by Compaero of such check will not constitute a waiver of Compaero right to pursue the collection of any remaining balance. Invoices not paid when due will bear interest to date of payment at the annual rate of eighteen (18%) percent or such lower rate as may be the maximum permitted by law. If Customer fails to make payment when due, Compaero may pursue any legal or equitable remedies, in which event Compaero will be entitled to reimbursement of costs for collection and reasonable attorneys' fees. There is a \$30 (USD) service charge on all returned checks.

4. DELIVERY AND TITLE

Unless otherwise specified on Compaero's sales order acknowledgement, all shipments by Compaero are FOB point of shipment from Compaero' facility and the amount of all transportation charges will be paid to Compaero by the Customer in addition to the purchase price of the Products. Subject to Compaero' right of stoppage in transit, delivery of the Products to the carrier will constitute delivery to Customer and title and risk of loss will pass to Customer. Compaero will make reasonable efforts to initiate shipment and schedule delivery as close as possible to Customer's requested delivery date(s). Customer acknowledges that delivery dates provided by Compaero are estimates only and that Compaero will not be liable for failure to deliver on such dates. Selection of the carrier and delivery route will be made by Compaero unless specifically designated by Customer. Compaero reserves the right to make deliveries in installments. Delay in delivery of one installment will not entitle Customer to cancel any other installment(s). Delivery of any installment of Products within thirty (30) days after the date requested will constitute a timely delivery. Delivery of a quantity that varies from the quantity specified shall not relieve Customer of the obligation to accept delivery and pay for the Products delivered.



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5. COMPAERO LIMITED WARRANTY

Compaero will pass through to Customer any transferable Product warranties, indemnities, and remedies provided to Compaero by the manufacturer, including any warranties and indemnities for intellectual property infringement. If required by law, Compaero warrants that at the time of delivery, the Products shall have the specifications stated by the manufacturer in its published data sheet for the Products for 12 months from delivery of Products. Compaero warrants that for a period of 90 days after delivery of the Products to Customer, value-added work performed by Compaero on Products will conform to Customer's specifications that are in writing and accepted by Compaero, and Customer shall be deemed the manufacturer of such value-added Products. To the extent permitted by law, Compaero makes no other warranty, express or implied, such as warranty of merchantability, fitness for purpose or non-infringement. Customer's sole remedies for breach of Compaero warranty are, at Compaero choice: (i) repair the Products; (ii) replace the Products at no cost to Customer; or (iii) refund Customer the purchase price of the Products.

6. LIMITATION OF LIABILITY

To the extent permitted by law, neither Compaero nor its employees or agents are liable for and customer is not entitled to any indirect, special, incidental or consequential damages; for example, loss of profits or revenue, loss of data, loss of use, rework, manufacturing expense, injury to reputation, or loss of customers. To the extent permitted by applicable law, Customer's recovery from Compaero for any direct damages will not exceed the price of the Product at issue. To the extent the preceding limitation of liability is deemed invalid under applicable law, Compaero's total liability in any event will not exceed USD 5,000 or the equivalent thereof. Customer will indemnify, defend and hold Compaero harmless from any claims based on; (i) Compaero's compliance with customer's designs, specifications, or instructions, (ii) modification of any Product by anyone other than Compaero, or (iii) use of Products in combination with other products or in violation of clause 8 below.

7. FORCE MAJEURE

Compaero is not liable for failure to fulfill its obligations under this Agreement due to causes beyond its reasonable control, (for example: acts of nature, acts or omissions of the Customer, operational disruptions, man-made or natural disasters, epidemic medical crises, materials shortages, strikes, criminal acts, delays in delivery or transportation, or inability to obtain labor or materials through its regular sources).

8. USE OF PRODUCTS

Customer shall comply with the manufacturer's or supplier's Product specifications. Products are not authorized for use in critical safety or other applications where a failure may reasonably be expected to result in personal injury, loss of life, or serious property damage. If Customer uses or sells the Products for use in any such applications or fails to comply with the manufacturer's Product specifications, Customer acknowledges that such use, sale, or non-compliance is at Customer's sole risk.

9. EXPORT/IMPORT

Compaero is committed to compliance with all U.S. Export Regulations and Laws. Compaero will not sell or ship to countries embargoed by the U.S. Treasury Office of Foreign Asset Control (OFAC). Compaero will not sell or ship to individuals or organizations identified by the U.S. Treasury as Specially Designated Nationals and Blocked Persons. Compaero will not sell or ship products prohibited under Export Administration Regulations to individuals or organizations identified by the U.S. Department of Commerce, Bureau of Industry and Security (BIS). Compaero will not seek export licenses pursuant to Export Administration Regulations. Compaero participates in BIS Export Enforcement and OFAC transaction reporting. Furthermore, Compaero is committed to compliance with US Department of State's Directorate of Defense Trade Controls, (DDTC). The sale, resale or other disposition of Products, and any related technology or documentation, are subject to the export control laws, regulations and orders of the United States and may be subject to the export and/or import control laws and regulations of other countries. Customer agrees to comply with all such laws, regulations and orders. Customer further acknowledges that it shall not directly or indirectly export any Products to any country to which such export or transmission is restricted or prohibited. Customer acknowledges its responsibility to obtain any license to export, re-export or import as may be required.

10. PRODUCT INFORMATION

Product information (for example, statements or advice (technical or otherwise) advertisement content, and information related to a Product's specifications, features, export/import control classifications, uses or conformance with legal or other requirements) is provided by Compaero on an "AS IS" basis and does not form a part of the properties of the Product. Compaero makes no representation as to the accuracy or completeness of the Product information, and DISCLAIMS ALL REPRESENTATIONS, WARRANTIES AND LIABILITIES UNDER ANY THEORY WITH RESPECT TO THE PRODUCT INFORMATION. Compaero recommends Customer validate any Product Information before using or acting on such information. All Product information is subject to change without notice. Compaero is not responsible for typographical or other errors or omissions in Product information.

11. GENERAL

a. This Agreement shall be governed, construed, and enforced in accordance with the laws of the country where the Compaero entity that accepted Customer's Order ("Governing Country") is located. The courts of the Governing Country shall have jurisdiction and venue over all controversies arising out of, or relating to, this Agreement. If the Governing Country is the United States of America, the laws and courts of the State of Virginia will apply without reference to Virginia's conflict of laws principles. The United Nations Convention for the International Sale of Goods shall not apply. b. Customer may not assign this Agreement without the prior written consent of Compaero, and Compaero's affiliates may perform Compaero obligations under this Agreement. This Agreement is binding on successors and assigns. c. This Agreement can only be modified in writing signed by authorized representatives of both Compaero and Customer. d. Compaero and Customer are independent contractors and agree that this Agreement does not establish a joint venture, agency relationship, or partnership. e. Compaero's failure to object to any document, communication, or act of Customer will not be deemed a waiver of any of these terms and conditions. f. The unenforceability of any of these terms or conditions will not affect the remainder of the terms or conditions. g. Products, including software or other intellectual property, are subject to any applicable rights of third parties, such as patents, copyrights and/or user licenses, and Customer will comply with such rights. h. Customer and Compaero will comply with applicable laws and regulations.