



TERMS AND CONDITIONS OF SALE

- 1. General:** These Terms and Conditions of Sale shall apply to all sales by **Reliable System Services Corp.** ("Supplier") as a Supplier of products and services. Supplier's failure to object to contradictory or supplementary provisions contained in Buyer's documentation, including but not limited to purchase order, order acknowledgment, invoice, etc., shall not be deemed a waiver of these Terms and Conditions of Sale and such Buyer terms are expressly rejected. No modification to these Terms and Conditions of Sale will be binding on Supplier unless agreed to in writing and signed by an authorized officer of Supplier
- 2. Pricing and Payment Terms:** The price of the products or services will be stated in the Supplier's quotation. Prices indicated in Supplier's quotation are in U.S. Dollars and shall remain valid for the period provided in Supplier's quotation, or, if not provided, for thirty (30) days. Unless otherwise agreed to, payment terms are NET thirty (30) days from date of invoice. Supplier shall have the right to delay shipment or suspend performance under any agreement, if payment under any agreement or order between Buyer and Supplier is not received when due. If in the sole judgment of Supplier, the financial condition of Buyer does not further warrant the extension of payment terms, Supplier may make a written demand for full or partial payment in advance, or cash on delivery as the basis for shipment. Unpaid invoices beyond the specific payment date incur interest at the rate of one-and-a-half percent (1.5%) per month or the maximum allowable rate under applicable law, whichever is less. All collection costs, including reasonable attorney's fees, arising out from Buyer's non-payment in accordance with the terms herein shall be payable by Buyer. The foregoing is without prejudice to any other Supplier rights or remedies which Supplier may have under the applicable law. Buyer will not set off or recoup invoiced amounts or any portion thereof against sums that are due or may become due from Supplier, its parents, affiliates, subsidiaries or other divisions or units.
- 3. Taxes:** Price is exclusive of any sales, use, custom duties, levies or other taxes, including but not limited to value added tax and other similar charges of any kind, imposed by any governmental authority which shall be paid by Buyer.
- 4. Shipping:** Supplier shall endeavor to deliver or redeliver the product in accordance with the lead times set out in its quotation / proposal, but these delivery times are to be treated as estimation only. Supplier is entitled to make partial deliveries and invoice the Buyer for partial deliveries and/or partial services. Supplier is not responsible for damages resulting from any delay in delivery. Delay in delivery shall not enable the Buyer to reject the shipped product or to fail to pay in strict accordance with the payment terms set out herein. No deferment of shipment at Buyer's request beyond the respective indicated shipping date will be made without the express written approval of an authorized officer of Supplier. Buyer shall notify Supplier of any damage to the product and/or loss, non-delivery or quantity shortage in any product delivered or redelivered hereunder within forty-eight (48) hours of receipt of same.
- 5. Return to Supplier (Repairs):** The Buyer shall deliver the product to the (i.e., Buyer is responsible for all costs, risk and activities necessary for getting the product to Supplier's premises). Product shipped cannot be returned to Supplier unless Supplier formally agrees to such a return through a Return Material Authorization ("RMA") from Supplier that must be used to identify the returned product (packaging should be clearly marked outside with RMA number). Supplier shall endeavor to redeliver the Product in accordance with the lead times set out in its quotation / proposal, but these delivery times are to be treated as estimation only. Any products which, having been inspected by Supplier are not found to be defective, Supplier reserves its right to charge reasonable costs to Buyer for no fault found inspections and associated costs, including but not limited to storage and redelivery costs. Product determined by Supplier to be beyond economic repair shall be subject to a reasonable scrap fee established by Supplier. Delay in redelivery shall not enable the Buyer to reject



the shipped product or to fail to pay in strict accordance with the payment terms set out herein. The Buyer and on behalf of any third party attempting to claim through the Buyer, hereby waives any claim against the Supplier for any costs, damages or losses, including loss of profit, resulting from late delivery or redelivery of any product however caused. Supplier shall retain a purchase security interest in the goods and Buyer agrees to support to perfect such security interest and provide information and assistance to Supplier with a financing statement to file with a public office.

- 6. Risk of Loss and Title:** Risk of loss to any shipment shall pass from Supplier to Buyer upon delivery of goods to the transporting carrier per the applicable shipping terms. Notwithstanding the delivery and passing of risk in the goods, title in the goods shall not pass to Buyer until payment in full of all sums due and payable by Buyer to Supplier under these Terms and Conditions of Sale. As collateral security for the payment of the purchase price of the goods and performance in full of all the obligations of the Buyer under this Agreement, the Buyer hereby grants to the Seller, a lien on and security interest in and to all of the right, title, and interest of the Buyer into, and under the goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing.
- 7. Packaging:** Standard packaging costs are included in the Supplier's price. All products and items shall be packaged. Any requests for custom packaging shall be subject to additional charges by Supplier.
- 8. Warranty:** Unless otherwise specified in Supplier's quotation, Supplier warrants workmanship for services and Supplier agrees to bear the labor and material cost required to (i) correct defects caused by faulty workmanship; and (ii) pass through to Buyer, the subcontractors' warranties. No act or omission by Supplier personnel or its subcontractors shall be adjudged as faulty workmanship if such act or omission was not contrary to approved technical procedures for such work in effect at the time of any act or omission even though changes to such procedures may have been affected at a later date to preclude such acts or omissions. The cost of warranty testing for parts determined to be without warranted defect shall be borne by Buyer. With respect to a part replaced during the term of the warranty period above, the warranty on such replaced part will be for (i) the remaining time on the warranty, or (ii) any warranty extension supplied by the part manufacturer, whichever is longer. Administering, processing, and pursuing warranty claims against manufacturers as related to parts, components, and equipment provided by subcontractors under this Agreement shall be the responsibility of Buyer with reasonable assistance from Supplier. Supplier shall endorse all subcontractors' warranties in favor of Buyer without recourse against Supplier. Buyer shall reimburse to Supplier any payment for labor costs and material it shall directly receive from such subcontractors pursuant to their warranty obligations previously borne by Supplier. Neither Party is responsible to the other Party for any incidental or consequential damages. Supplier warrants that goods supplied under a purchase order shall be; free from any liens or encumbrances, and free from any defects in material and workmanship and conform to the warranty clause attached hereto as Appendix 1 (the "Warranty").

THE WARRANTY CONSTITUTES THE FULL EXTENT OF THE SUPPLIER'S WARRANTIES AND ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. UNDER NO CIRCUMSTANCES WILL SUPPLIER OR ITS CONTRACTORS OR AGENTS BE LIABLE TO BUYER OR ANY THIRD PARTY FOR LOSS OF PROFIT AND ANY INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PRODUCTION, LOST TIME, LOSS OF OPPORTUNITY, DAMAGE TO AIRCRAFT OR ANY OTHER DAMAGES RESULTING FROM THE PRODUCT OR DELAYS IN SERVICES. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, RSS SHALL NOT BE LIABLE FOR, AND CUSTOMER HEREBY WAIVES AND RELEASES, ANY AND ALL CLAIMS WITH



RESPECT TO ANY (A) IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; (B) IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR TRADE CUSTOM; (C) CLAIM OF TORT, WHETHER OR NOT ARISING IN WHOLE OR IN PART FROM RSS'S FAULT, NEGLIGENCE, STRICT LIABILITY OR PRODUCT LIABILITY; OR (D) CLAIM FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, COVER, OR ANY LOSS OF PROFIT, REVENUE OR USE. BUYER CANNOT ASSIGN THIS WRITTEN WARRANTY TO ANY SUBSEQUENT PARTY OR LESSEE OF THE AIRCRAFT WITHOUT THE PRIOR WRITTEN APPROVAL OF SUPPLIER.

- 9. Limitation of Liability:** ALL LIABILITIES OF SUPPLIER ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SUPPLIERS COLLECTIVELY FOR CLAIMS UNDER THESE TERMS AND CONDITIONS OF SALE, OR OTHERWISE HOWSOEVER ARISING (INCLUDING WITHOUT LIMITATION, IN CONTRACT OR TORTS) IS LIMITED TO THE MAXIMUM CAP OF TWO-AND-A-HALF PERCENT (2.5%) OF THE PRODUCT OR SERVICE PRICE PAID BY THE BUYER TO SUPPLIER OF THE PRODUCT OR SERVICE UNDER THE APPLICABLE PURCHASE ORDER LINE ITEM RELEASE GIVING RISE TO BUYER'S CLAIM.
- 10. Changes and Cancellation:** Buyer may not modify or cancel any order for any reason without Supplier's written consent signed by an authorized officer of Supplier. If Supplier give its consent pursuant to the preceding sentence, Buyer shall indemnify and hold Supplier harmless against all damages of any kind. Supplier reserves the right to invoice cancellation or modification fees, and in its sole discretion the right to modify product features, specifications, and designs at any time.
- 11. Confidentiality:** Buyer agrees to keep confidential all information, including commercial and technical information and materials ("Confidential Information") of the Supplier, which comes to its knowledge in the course of the business relationship and is identified to be confidential, however, the failure to include a restrictive legend or otherwise confirm the confidentiality of information will not preclude its status as Confidential Information so long as Buyer knew or reasonably should have known of the confidential nature thereof. For purposes of this section, Supplier pricing is deemed confidential and disclosure to third parties is prohibited unless agreed to in writing by Supplier. Supplier is allowed to share Confidential Information with its affiliates on a need-to-know basis. Confidential Information shall be protected, and the confidentiality obligations herein shall continue for so long as such information retains its confidential status. Confidential Information does not include information that: (i) is publicly known at the time of the disclosing party's communication to the receiving party, or becomes publicly known through no fault of the receiving party, (ii) is developed by the receiving party independent of any Confidential Information of the disclosing party as evidenced by contemporaneous written evidence of the same, or (iii) is rightfully received from a third party legally and without restriction on disclosure and without breach of any confidentiality obligation to the disclosing party. Buyer shall not reproduce or have reproduced any Confidential Information without the prior written agreement of the Supplier. Upon Supplier's request, the Buyer shall promptly return the Confidential Information or take the necessary measures to destroy the Confidential Information as requested by the Supplier. All data, files and records supplied by Buyer, excluding Buyer branding information, and all data, files and records created by Supplier in the scope of its work under these Terms and Conditions of Sale, shall be deemed to belong to and be exclusively owned by Supplier.
- 12. Intellectual Property:** The parties recognize that any existing trade names, trademarks and copyrighted materials or patents, licenses, or other rights to proprietary technology of Supplier is the exclusive property of Supplier. Unless otherwise mutually agreed upon, any unauthorized use of such intellectual property by Buyer is expressly prohibited. Payment of the price by the Buyer shall not be construed as a transfer of right, title or interest whatsoever on the information and results owned by the Supplier, unless otherwise specified in writing by an authorized officer of Supplier. All new intellectual property conceived or created by Supplier in performance hereunder, whether



alone or with any contribution from Buyer, shall be owned exclusively by Supplier. Buyer agrees to deliver assignment documentation as necessary to achieve that result. Buyer shall not copy, reverse engineer, modify, decompile totally or partially the goods purchased.

13. Remedy for Infringement of Intellectual Property: In the event a claim is brought against Buyer based on a third-party claim that one or more of the products sold hereunder infringes on the intellectual property rights of a third party, Supplier shall at its option perform the following, provided that Buyer promptly notifies Supplier in writing of the claim, gives Supplier sole authority to control defense and settlement of the claim, and provides Supplier with full disclosure and reasonable assistance as required to defend the claim. Supplier shall have the right at its option to either; (i) procure for Buyer the right to continue to using the product, (ii) replace or modify such product so that it becomes non-infringing, (iii) accept return of such product and grant Buyer a credit for the purchase price, or (iv) terminate the Buyer's license to use the infringing product and grant Buyer a credit for the license fee paid for the product, less a reasonable depreciation for use and obsolescence. Supplier may cease shipping the infringing product(s) without being in breach of these Terms and Conditions of Sale. In no event shall Supplier have any obligation or liability to Buyer for any claim of infringement based upon or arising; (i) from information, directions, specifications or designs provided by Buyer, (ii) Supplier products or services that have been modified or revised by Buyer, (iii) Buyer's use or combination of Supplier's products or services in conjunction with other products or services not delivered by Supplier when such combination is a basis of the alleged infringement, and (iv) from Buyer's failure to implement any update provided by Supplier that would have prevented the claim. If the products are to be manufactured or any process is applied to the products in accordance with a specification submitted by the Buyer, the Buyer shall indemnify Supplier against all loss, damages, costs and expenses awarded against or incurred by Supplier in connection with or paid or agreed to be paid by Supplier in settlement of any claim for infringement of any patent, copyright, design, trade mark or other industrial or intellectual rights of any other person which results from the use of the Buyer's specification by Supplier.

14. Export Control: The parties acknowledge that the products, software, related technology, and services may be subject to export control laws and regulations of the United States, European Union, and any other jurisdiction to which the Products, software and related technology are later transferred. Each party agrees it shall comply with such laws, regulations and authorizations, including without limitations, the U.S. Department of Commerce Export Administration Regulations (EAR), the U.S. Department of State International Traffic in Arms Regulations (ITAR), the U.S. Department of Treasury Office of Foreign Assets Control (OFAC) Regulations, EU Export Control Laws and Export Control Orders of the EU member states. Buyer agrees that it shall use its best efforts to ensure that the products, software and related technology are not: (a) sold, transferred, or diverted to any U.S. or E.U. sanctioned or embargoed country (including, but not limited to, Cuba, Iran, Sudan, Iraq, North Korea, Crimea region of Ukraine and Russian industry sector sanctions and Syria), unless authorized by the applicable jurisdictions or those permitted under applicable regulations; (b) sold, transferred, or diverted to any person, firm, or other entity sanctioned by the U.S. Department of Commerce, U.S. Department of Treasury, or U.S. Department of State, or any E.U. or local country listing of sanctioned persons; (c) sold, transferred, or diverted to any nuclear, chemical/biological weapons, missile technology end-use or end-user, or prohibited military end use and end user; or (d) sold, transferred, or diverted in violation of any other applicable import/export laws, regulations, licenses, or government orders. Buyer shall promptly advise Supplier in writing of any known or suspected sale, transfer, or diversion in violation of the foregoing. Buyer shall indemnify and hold the Supplier harmless against any and all losses, damages and liabilities arising out of the Buyer's nonconformance of such export control and import laws and regulations.



- 15. Termination:** Supplier may terminate any agreement or order governed by or rising from these Terms and Conditions of Sale for its sole convenience and any reason upon written notice. Notwithstanding the foregoing, Supplier may immediately terminate upon written notice if; (i) Buyer breaches any of these Terms and Conditions of Sale and fails to remedy the breach within thirty (30) calendar days after receipt of written notice that specifies the grounds for the breach, (ii) files a petition for relief in bankruptcy on its behalf under any state, federal or other applicable law, or makes an assignment for the benefit of creditors, or (iii) dissolves its business or liquidates all or a majority of its assets. Furthermore, Supplier may suspend performance hereunder at no cost to Supplier if Supplier determines that performance may cause a safety, security, or health risk. Supplier's rights of termination provided for herein are not exclusive of other remedies Supplier may be entitled to under these Terms and Conditions of Sale or in law or equity.
- 16. Excusable Delay/Force Majeure:** Supplier shall not be held responsible for its failure to fulfill any of its obligations if and to the extent that such failure is due to acts of God (such as floods, storms, fires and earthquakes), pandemics, acts of war, sabotage, strike, failure of public utilities, terrorism or general civil insurrection, delay in government and competent authorities orders, inability to obtain permits or certifications, embargoes and trade limitations, fuel or energy shortage, wreck or delay in transportation, major equipment breakdown, inability to obtain necessary labor, materials or manufacturing facilities from usual sources, quarantines or regional medical crises, furloughs, changes in law or regulation, or any other matters beyond the reasonable control of Supplier. Supplier's performance of obligations shall be deemed to be suspended during the delay period and such delay shall not constitute a breach of these Terms and Conditions of Sale. Upon cessation of the excusable delay event, Seller shall be granted an extension in its period of time to perform, commensurate with the duration of the excusable delay event. Buyer's financial inability to pay shall not be considered a force majeure event and all obligations of Buyer to make payment shall not be suspended or delayed.
- 17. Assignment:** Buyer may not assign any of its rights or obligations hereunder, by operation of law or otherwise, without the prior written consent of Supplier. Any purported assignment or delegation in violation of this section shall be null and void. Notwithstanding the foregoing, Supplier may assign and delegate its rights or obligations to any affiliate or in connection with the sale or transfer of all or substantially all of its assets of the product line or business. A permitted assignment or delegation pursuant to this Section shall relieve the assigning party of any of its obligations under these Terms and Conditions of Sale.
- 18. Waiver and Severability:** Failure to enforce any provision hereunder, will not invalidate that provision, nor will any such failure prejudice Supplier's right to enforce that provision in the future. If any provision or portion of these Terms and Conditions of Sale shall be found to be invalid, ineffective, or unenforceable, the validity of the remaining provisions will not be affected and shall remain in full force and effect.
- 19. Governing Law:** Any claim, controversy, or dispute and all matters arising out of or relating to these Terms and Conditions of Sale, whether sounding in contract, tort, or statute, shall be exclusively governed by and construed in accordance with the laws of the State of Florida, United States, without giving effect to the conflict of laws provisions and excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG). Buyer irrevocably agrees that such disputes shall be settled under the Rules of Arbitration of the International Chamber of Commerce (the "Rules") by one or more arbitrators appointed in accordance with the said Rules. An arbitration



proceeding hereunder shall be conducted in the city of Supplier's place of business and shall be conducted in the English language. The decision or award of the arbitrators shall be in writing and is final and binding on both parties. The arbitration panel shall award the prevailing party its attorneys' fees and costs, arbitration administrative fees, panel member fees and costs, and any other costs associated with the arbitration, the enforcement of any arbitration award and the costs and attorney's fees involved in obtaining specific performance of an award; provided, however, that if the claims or defenses are granted in part and rejected in part, the arbitration panel shall proportionately allocate between the parties those arbitration expenses in accordance with the outcomes; provided, further, that the attorney's fees and costs of enforcing a specific performance arbitral award shall always be paid by the non-enforcing party, unless the applicable action was determined to be without merit by final, non-appealable decision. The arbitration panel may only award damages as provided for hereunder and in no event may punitive, consequential, indirect, and special damages (or as otherwise specified in these Terms and Conditions of Sale) be awarded. In the event of any conflict between the Rules and any provision herein, these Terms and Conditions of Sale shall govern. By agreeing to the Rules of Arbitration of the International Chamber of Commerce, the parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction. Buyer agrees that a breach of confidentiality obligations or dissemination of Supplier's intellectual property under these Terms and Conditions of Sale could cause irreparable harm to Supplier for which Supplier would have no adequate remedy at law, and further agrees that the Supplier may apply to a court of competent jurisdiction to seek to enjoin preliminarily or permanently any breach or threatened breach of the Buyer's obligations hereunder

- 20. Language:** The language of contracts and correspondence will be in the English language. In the event that any order or agreement is translated into other languages, the English version alone will be authoritative.
- 21. Survival:** Provisions of these Terms and Conditions of Sale which by their nature should apply beyond their terms will remain in force after any termination or expiration of these Terms and Conditions of Sale and/or order including, but not limited to Sections; 8 Warranty, 9 Limitation of Liability, 11 Confidentiality, 12 Intellectual Property, 13 Remedy for Infringement of Intellectual Property, and 14 Export Control.
- 22. Entire Agreement:** These Terms and Conditions of Sale together with the terms set forth in Supplier's written quotation, forms the entire agreement between Buyer and Supplier and constitutes the final, complete and exclusive expression of the terms of sale and/or services provided. In the event of any conflict between terms set forth in Supplier's quotation and these Terms and Conditions of Sale, the terms set forth in Supplier's quotation shall prevail. All previous written or oral communications shall have no effect. These Terms and Conditions of Sale may only be modified in writing, executed by a duly authorized officer of Supplier