

1. ACCEPTANCE OR ACKNOWLEDGMENT.

This purchase order becomes a contract when SPECTO Aerospace bv or SPECTO Services bv, (hereinafter referred to as "Buyer") places a purchase order and receives written acceptance thereof or upon Seller making shipment or delivery of the goods ordered or scheduling the service ordered. Buyer recognizes that Seller, for its own convenience, may wish to use its own form of acknowledgment or acceptance. In such event, or in the event of shipment or delivery of the ordered goods, or scheduling the service ordered, without a written acknowledgment or acceptance by Seller of this purchase order, Seller, by delivering such form of acknowledgment or acceptance to Buyer, or by such shipment or delivery, or scheduling the service, shall be deemed to understand and agree that the terms and conditions in this purchase order, including, but not limited to, arbitration, shall bind both Buyer and Seller and that any terms or conditions which may be contained in Seller's own form of acknowledgment or acceptance, or any other terms or conditions which may be indicated by Seller (whether oral, typed, written or printed) shall be deemed to be null and void and of no effect, notwithstanding the fact that such form of acknowledgment or acceptance may be issued, or that such other terms and conditions may be indicated, on a date later than the date of this purchase order.

2. SELLER'S QUOTATIONS.

Reference, if any, in this purchase order to Seller's offer does not imply acceptance of any terms or conditions as stated in such offer unless such terms or conditions are expressly adopted herein. Any terms and conditions in such offer which amend or add to or are inconsistent with the terms and conditions contained in this purchase order shall be deemed to be null and void and of no effect.

3. PRICES, TERMS, CERTIFICATION & SHELF LIFE.

Packing, export packaging and certification is included in the price quoted. Ordered goods shall be packed in accordance with the guidelines of the Air Transport Association of America (ATA 300) for the type of products ordered to insure safe transportation and storage. Risks of loss remain with Seller until goods reach Buyer's specified destination. Incoterms 2010 shall be applicable. All ordered items shall be accompanied by documents (certificates and packing lists) showing full traceability of the goods to the original manufacturer or approved source.

Shelf life limited items shall have at least 75% shelf life remaining at time of delivery to Buyer. This purchase order may not be filled at prices higher than those specified herein, unless Buyer expressly accepts such higher prices in writing.

Calibration services provided shall be traceable to International Standards. Unless otherwise specified in the purchase order, the manufacturer's documentation is used and followed to determine if the item is within its specifications. The calibration certificate shall reference the calibration standard(s) used. The measured values shall be made available to Buyer. In case adjustments have been made the values measured before adjustment and the values after adjustment shall be made available to Buyer.

4. DELIVERY.

Time is of the essence and the delivery schedule specified in this purchase order is firm and binding. If Seller fails to deliver goods or services in accordance with the purchase order requirements or delays occur in making delivery, Buyer may, at its option, cancel this purchase order or any part thereof without incurring any obligation or liability to Seller and at no cost to Buyer. Seller shall be liable to Buyer for all losses and damages suffered or incurred by Buyer and arising out of or resulting from such failure or failures by Seller, including loss of profits. Seller shall immediately report to Buyer in advance all events or circumstances which may result in failures of or delays in delivery of the purchase order. The delivery schedule specified in this purchase order may not be modified unless Buyer expressly agrees thereto in writing. No such modification, however, shall relieve Seller of its other obligations and liabilities to Buyer pursuant to this purchase order. Upon delivery of goods made or services provided using shop drawings, programs, tooling and/or prototypes or samples owned or furnished by Buyer, Seller shall be surrendered such items to Buyer without delay and in its original condition.

5. ACCESS.

Neither the performance of any inspection or test, nor the payment by Buyer of all or any part of the purchase price, shall be evidence of acceptance of any good or service by Buyer. Upon request, Seller shall give to Buyer, or to Buyer's customer or to any regulatory authority unconditional right of access to Seller's facility strictly for the purpose of inspecting any and all records and other matters related to the purchase order.

6. CANCELLATION BY BUYER.

In addition to Buyer's other rights to cancel this purchase order as stated in these General Terms and Conditions of Purchase, Buyer may cancel this purchase order without incurring any obligation or liability to Seller, other than the obligation to pay for ordered goods previously delivered or for services provided in accordance with the purchase order requirements, in the event of insolvency of Seller, the appointment of a trustee, receiver or liquidator for all or a portion of Seller's property or the institution of any bankruptcy, reorganization, arrangement, liquidation or similar proceedings by or against Seller or an assignment by Seller for the benefit of creditors. In addition, Buyer reserves the right to cancel this purchase order at any time, in its sole discretion, without cause, without incurring any obligation or liability to Seller, other than the obligation to make an equitable adjustment by reimbursing Seller for Seller's actual costs properly incurred until the time of cancellation in performing its obligations pursuant to this purchase order.

7. SELLER'S WARRANTY.

Seller expressly warrants that the goods supplied are of good quality, are fit for its intended purpose and are in a safe condition for installation in an aviation product and are free from latent defects in design, material or workmanship and are conforming to the specifications mentioned in the purchase order and/or to the samples and drawings provided. Seller warrants that it has title to the goods sold hereunder and that they are free and clear from all liens or encumbrances, and of any claims by third parties.

Seller further warrants that Seller shall not supply Buyer with any products obtained, either directly or indirectly, from any military or government sources unless specifically ordered in the purchase order, and that none of the parts it supplies against the purchase order has been subjected to severe heat, stress or other extreme conditions.

Seller further warrants that all services or work (whether design, engineering, manufacturing, repair, modification, installation, calibration or otherwise) rendered by Seller, its agents, employees or its subcontractors, in connection with this order, shall be performed in a highly competent manner and to the entire satisfaction of Buyer.

In the event the Seller has knowledge that the service provided is incorrect or not meeting its specifications, Seller shall inform Buyer in writing immediately on the deviation found and the service is effected, specifying purchase order and items concerned.

Seller takes all necessary measures to prevent that suspected unapproved or counterfeit parts will be supplied to Buyer. In the event that Seller has knowledge that the goods ordered by Buyer are non-conforming, defective, suspected to be non-conforming, or counterfeit parts, Seller shall immediately, upon such determination, inform Buyer in writing and provide product identification and full description of the non-conformance or defect. Seller shall immediately inform Buyer in writing of any changes in product specification as they occur.

Seller's warranty shall run to Buyer and all subsequent purchasers and users of the ordered items. All warranties herein shall be construed as warranties as well as conditions and guarantees.

8. DEFECTIVE ITEMS.

If any of the ordered goods or services provided is found to be defective in design, material or workmanship or otherwise not in strict conformity with the specifications or purchase order requirements, Seller shall immediately remedy the situation to the full satisfaction of Buyer and shall be liable to Buyer for all damages, consequential or otherwise, arising by reason thereof. Buyer, in addition to its right to such damages, and other rights which it may have under express or implied warranties of Seller or otherwise, shall have the right to reject such non-conforming goods or services. At Buyer's option, Seller shall promptly reimburse Buyer the full purchase price for the non-conforming goods or services, or, Buyer may have the non-conformance rectified, repaired or replaced by Seller or by another party of Buyer's choice, all at the sole risk, cost and expense of Seller. Seller shall pay all transportation, duty and insurance charges incurred in connection with the transportation of any defective good to and from Seller or to and from such other party as the case may be and shall Seller obtain Buyer's written approval for non-conforming product disposition.

9. COMPLIANCE WITH LAWS AND REGULATIONS.

Seller shall comply with all Federal, State and local laws and regulations including but not limited to Federal and Civil Aviation Regulations, export compliance regulations, environmental laws, corrupt practices or bribery acts, regulations and directives of the European Union and of the Netherlands. Seller shall provide to Buyer product and material composition information enabling Buyer to meet export regulations and EU (EC) Directives. Sale, assignment or transfer by Buyer of the ordered items will be in compliance with the applicable export laws and regulations. Buyer prohibits the sale, assignment or transfer of parts or services to persons, which are denied, debarred or sanctioned by the United Nations or by the governments of the USA or European Community. Upon request, Buyer will make known the end-user and the application of the ordered items if so required by law.

Hazardous goods shall be provided meeting, including but not limited to, IATA regulations, EU Directives and the Globally Harmonized System of Classification and Labelling of Chemicals (GHS).

Equipment or machines delivered shall be marked with a CE marking as required by the European Union..

10. ETHICAL BEHAVIOUR.

Seller shall conduct business in a responsible, fair and ethical way. Human rights of employees are respected. Working conditions are humane and safe, and discrimination is not tolerated. No use is made of child labor or forced labor by Seller. We expect Seller to protect the environment by minimizing pollution and to use environmentally-friendly materials or substances where possible. Bribery and corruption are not tolerated by Seller.

11. NO ASSIGNMENTS.

Seller shall not assign this purchase order or any moneys due, or to become due hereunder, without Buyer's prior written consent.

12. INDEMNITY.

Seller shall indemnify Buyer (including but not limited to its affiliates, directors, officers, employees, agents and assigns) and all subsequent purchasers and users of the ordered items, services or work, and provide and pay for a full defense, upon Buyer's notice, and shall save and keep Buyer and all such purchasers and users free and harmless of, from and against, all without any geographical limitations, any and all actions, proceedings, claims (actual or threatened), losses, judgments, damages, costs, liabilities, charges and expenses (including attorneys' fees) of any nature whatsoever which may be made or incurred by or against Buyer or against such purchasers or users, or which Buyer or such purchasers or users may suffer, sustain, incur or be in any way subjected to: (i) by reason of injury to or death of any person or persons, or damage to or loss of property, arising out of the performance of this purchase order by Seller or out of anything undertaken or done in carrying out this purchase order, or out of the manufacture, purchase, sale or use of the ordered items; or (ii) to the extent that the ordered goods are not manufactured pursuant to detailed designs furnished by Buyer, arising out of or in connection with any actual or alleged infringement of any patent, copyright or trademark by reason of the design, manufacture, purchase, sale or use of the ordered items. Seller agrees that without geographical limitations in addition to defending Buyer, Seller may be made a party by Buyer to enforce Buyer's rights by way of cross claims or any other third party action, to any action or proceeding to which Buyer is made a party.

13. TAXES.

Unless otherwise provided, all Federal, State and local sales, use, excise or similar taxes payable with respect to ordered items shall be paid by Seller.

14. AMENDMENTS.

Buyer reserves the right to make any changes, which Buyer, in its sole discretion, deems desirable, with respect to this purchase order, including, but not limited to, changes in drawings and specifications, methods of shipment and packaging, delivery schedules and places of delivery. If any such change increases the cost to Seller or affects the ability of Seller to make delivery pursuant to the delivery schedule specified in this purchase order, an equitable adjustment will be made by agreement between Buyer and Seller, but any claim by Seller for adjustment in either price or delivery schedule must be made and presented by Seller to Buyer in writing ten (10) days after Buyer has notified Seller of such change.

15. DEFAULT.

If Seller defaults in performing any of its obligations to Buyer pursuant to this purchase order, or any agreement between Buyer and Seller whether or not related to this purchase order, Buyer may at its option, and without incurring any liability thereby, cancel and terminate this purchase order as well as any or all agreements between Buyer and Seller. Moreover, in the event of any default by Seller in performing any of its obligations to Buyer pursuant to this purchase order, Buyer in addition to all rights and remedies provided for in this purchase order, shall have a right to recover all damages sustained by it, directly or consequently, including loss of profits, as well as the rights and remedies provided a buyer, with respect to defaults by a seller, under the Uniform Commercial Code.

16. APPLICABLE LAW & ARBITRATION.

Any controversy or claim arising out of or relating to this purchase order or to Buyer's purchase or use of goods or services, or out of or related to the supply of goods or services by Seller to Buyer, including, without limitation, arbitrability and any dispute concerning the scope of this arbitration clause, shall be settled by binding arbitration, using one neutral arbitrator: - the binding arbitration shall be held in The Hague, the Netherlands, using the English language and administered by the International Chamber of Commerce using its rules and applying the substantive and procedural laws of the Netherlands, without regard to its conflict of law rules. Judgment upon the award in any arbitration rendered by the arbitrator may be entered in any court of competent jurisdiction.

17. GENERAL.

No provision of this purchase order may be waived, changed, terminated, modified, discharged or rescinded, except by a writing signed by the party to be charged by any such waiver, change, termination, modification, discharge or rescission. No waiver of any breach of any provision of this purchase order shall constitute a waiver of any similar or dissimilar prior or subsequent breach or shall constitute an amendment or modification of this purchase order, or any provision hereof unless expressly stated to the contrary in writing. If any provision of this purchase order shall be held to be unenforceable or inapplicable in any respect, such holding shall not affect the enforceability of any other provision of this purchase order under any other circumstances. The provisions of this purchase order shall bind and enure to the benefit of Buyer and Seller and their respective successors and assigns. Headings of paragraphs and subparagraphs have been inserted for convenient reference only and shall not in any way affect the meaning or interpretation of the text.