

## **EXHIBIT 1**



## PRODUCT SUPPLY AGREEMENT

This Product Supply Agreement (this "**Agreement**") is entered into as of the last date signed below (the "**Effective Date**"), between **FLIR Systems, Inc.**, an Oregon corporation located at 27700 SW Parkway Avenue, Wilsonville, OR 97070, U.S.A. ("**FLIR**"), and **Royal Holdings Technologies Corporation**, an entity incorporated in the state of California, located at 8560 W. Sunset Blvd., 10th floor, West Hollywood, CA 90069, USA ("**Company**"). FLIR and Company are referred to herein individually or collectively as a "**Party**" or as the "**Parties**".

Capitalized terms not defined in context are defined in the section entitled "Definitions".

### 1. PRODUCTS AND RESALE RIGHTS.

**1.1 Products.** On the terms and conditions set forth in this Agreement, Company may purchase Products from FLIR. Company may market and resell the Products to customers within the Fields and Territories. Company will promptly notify FLIR if Company becomes aware of any potential sales leads to customers outside the Territory or the Field. FLIR reserves the right to directly distribute or sell Products to any customers in the Fields and Territories and to appoint additional third parties to do the same. FLIR may from time to time make changes in the Products, including the specifications, and may discontinue Products, in its sole discretion. FLIR will use reasonable efforts to notify Company of such changes or discontinuance of Products.

**1.2 Company Compensation.** The difference between Company's Product purchase price from FLIR and Company's Product sale prices to its customers will be Company's sole remuneration for its performance under this Agreement. No compensation will be paid to Company by FLIR under this Agreement.

### 2. ORDERS AND DELIVERY.

**2.1 Orders.** Company may order Products by submitting a written purchase order to FLIR. All purchase orders will be subject to the terms of this Agreement and the applicable product schedule attached to or referencing this Agreement (each a "**Product Schedule**"). Product Schedules may be amended from time to time in by FLIR in its discretion. FLIR will use reasonable efforts to notify Company of any changes to the Product Schedules. In the event of a conflict among this Agreement and the Product Schedules, the terms of this Agreement will be first in order of precedence, and will prevail over the Product Schedules. The Product Schedules will prevail over any other documents. Company and FLIR acknowledge and agree that any and all additional or different terms and conditions contained in any of Company's purchase orders or other commercial documents are hereby rejected by FLIR and will not become part of any purchase order, unless such terms are expressly accepted by a writing duly signed by an authorized representative of FLIR. FLIR is not obligated to accept any particular purchase order from Company and will accept or reject a purchase order within ten (10) days of receipt by delivering an Acknowledgment to Company. In the event FLIR fails to accept a purchase order within ten (10) days of receipt, the purchase order will be deemed rejected.

**2.2 Delivery and Title.** Unless provided in the Acknowledgment, all deliveries of the Products will be in accordance with the shipping terms set forth in applicable Product Schedule. Title and risk of loss with respect to the Products will pass irrevocably to Company upon delivery in accordance with the selected Incoterm, and the Products may not be returned, except as provided in the section entitled "Product Returns". FLIR will provide Company with a non-binding estimate of the delivery date(s) in the Acknowledgment and will use reasonable efforts to meet such delivery date(s). FLIR will not be liable to Company for any damages in the event FLIR fails to meet such delivery date(s). All Products will be packed and shipped in accordance with FLIR's standard practices.

### 3. PRICES AND PAYMENT.

**3.1 Purchase Price, Costs and Taxes.** Product prices are described in the Product Schedules. The purchase price for Products includes the costs of standard packaging of the Products; but excludes: (a) transportation, customs duties, insurance or any other costs or fees that may apply to the sale and delivery of the Products; and (b) any and all customs, duties, tariffs, fees, fines, assessments and federal, state, municipal or other governmental taxes of any kind (including but not limited to sales and use taxes, value added taxes, ad valorem taxes and any other taxes or fees levied by a government authority) imposed with respect to the Products. All such excluded costs, fees and taxes shall be in addition to the purchase price and be paid by Company unless otherwise required by law.

**3.2 Payment.** Except as otherwise provided in the applicable Product Schedule, Company will pay FLIR for the Products in full prior to shipment, or by letter of credit acceptable to FLIR. If credit is approved, Company will pay FLIR within thirty (30) days after the date of FLIR's invoice, unless additional or different payment terms are specified on the applicable Product Schedule. Except as otherwise provided in the applicable Product Schedule, all Product prices will be invoiced and paid in United States dollars. All past due payments bear interest at the rate of one and one half percent (1.5%) per month or the maximum amount allowed by law, whichever is less, on the unpaid balance.

### 4. LIMITED WARRANTY, EXCLUSIONS AND DISCLAIMERS.

**4.1 Limited Warranty.** Unless superseded by individual Product warranty terms set forth in the applicable Acknowledgment, a warranty section of FLIR's website at [www.FLIR.com](http://www.FLIR.com), or in the applicable Product Schedule, FLIR WARRANTS THAT FROM THE DATE OF DELIVERY AND FOR THE PERIOD SET FORTH IN THE APPLICABLE PRODUCT SCHEDULE, THE PRODUCTS WILL CONFORM IN ALL MATERIAL RESPECTS TO ITS SPECIFICATIONS AT THE TIME OF SALE AND BE FREE FROM MATERIAL DEFECTS UNDER PROPER USE AND SERVICE IN ACCORDANCE WITH THE SPECIFICATIONS. Company agrees that Specifications and other warranty information may be supplied only in the English language, unless otherwise required by local law without the possibility of contractual waiver or limitation. Except as otherwise



provided in the Product Schedule, this limited warranty extends only to Company and is not transferable to any other party and any transfer made in violation of this provision shall be void. The warranty applies only to the unmodified portion of the Products. Company is responsible for the results obtained from the use of the Products. Company's sole remedy, and FLIR's sole liability, for any breach of the foregoing warranty shall be to replace or repair any part or parts (or redeliver services) which were delivered in breach of the foregoing warranty.

**4.2 Warranty Exclusions and Disclaimers.** FLIR MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE (EVEN IF COMPANY HAS NOTIFIED FLIR OF ITS INTENDED USE FOR THE PRODUCTS) OR NON-INFRINGEMENT. FLIR FURTHER EXPRESSLY DISCLAIMS ANY WARRANTY OF THE PRODUCTS WHERE THE ALLEGED NONCONFORMITY IS DUE TO NORMAL WEAR AND TEAR, ALTERATION, MODIFICATION, REPAIR, ATTEMPTED REPAIR, IMPROPER USE OR STORAGE, IMPROPER MAINTENANCE, NEGLIGENCE, ABUSE, FAILURE TO FOLLOW ANY PRODUCT INSTRUCTIONS, DAMAGE (WHETHER CAUSED BY ACCIDENT OR OTHERWISE), VARIABLES (as defined below) OUTSIDE THE CONTROL OF FLIR, OR ANY OTHER IMPROPER CARE OR HANDING OF THE PRODUCTS CAUSED BY ANYONE OTHER THAN FLIR. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF EXPRESS OR IMPLIED WARRANTIES, SO THE ABOVE EXCLUSION MAY NOT APPLY TO COMPANY. IN THAT EVENT, SUCH WARRANTIES ARE LIMITED IN DURATION TO THE WARRANTY PERIOD. COMPANY MAY ALSO HAVE OTHER RIGHTS THAT VARY FROM JURISDICTION TO JURISDICTION. "Variables" include operator skills, non-FLIR equipment used with the Products, and environmental and climatic conditions.

**4.3 Product Returns.** Products shall not be returned to FLIR without FLIR's written consent. Return instructions can be found at [www.FLIR.com](http://www.FLIR.com). Company will pay the cost of sending Products to FLIR in connection with warranty claims, and FLIR shall pay the cost of returning to Company Products that are repaired or replaced under warranty.

## **5. CONFIDENTIAL INFORMATION.**

**5.1 Definition.** "Confidential Information" means any and all information, including third party information, disclosed by FLIR and/or any of its Affiliates ("Disclosing Party") to the Company and/or any of its Affiliates ("Recipient") during the term of this Agreement which (i) if provided in tangible format is labelled at the time of such disclosure as "confidential" or bearing a similar legend, (ii) if provided in oral or intangible format is identified as confidential at the time of disclosure and is summarized in writing and delivered to Recipient within thirty (30) days of disclosure, or (iii) the Recipient should reasonably understand to be confidential to the Disclosing Party based on the nature or circumstances of the disclosure. Subject to the foregoing, Confidential Information may include, but is not limited to, the following types of information: trade secrets, inventions, discoveries, ideas, concepts, formulas, patents pending or to be filed, designs, drawings, plans, specifications, techniques, models, prototypes, data, computer source and object code, evaluations, documentation, manuals, diagrams, flow charts, schematics, research and development plans, know-how, marketing techniques and materials, customer, supplier, and pricing information, contracts, budgets and financial statements.

**5.2 Confidentiality Obligations.** Recipient agrees that it will (a) hold in confidence and not disclose to any third party any Confidential Information of Disclosing Party, except in accordance with this Agreement; (b) protect such Confidential Information with at least the same degree of care that Recipient uses to protect its own Confidential Information of a similar nature, but in no case, less than reasonable care; (c) use the Disclosing Party's Confidential Information for no purpose other than for the purpose of this Agreement (the "Permitted Use"); (d) limit access to Disclosing Party's Confidential Information to those of Recipient's and its Affiliates' employees or individual contractors having a need to know as part of the Permitted Use and who have signed confidentiality agreements containing, or are otherwise bound by, confidentiality obligations at least as restrictive as those contained herein; and (e) notify Disclosing Party promptly upon discovery of any loss or unauthorized disclosure of Disclosing Party's Confidential Information.

## **6. INTELLECTUAL PROPERTY.**

**6.1 Definition.** Company acknowledges the ownership of and the validity of FLIR's trademarks, brand names, trade names, copyrights, patents, designs, trade secrets, inventions, and similar intellectual property, whether registered or not (collectively, "Intellectual Property"). Company will not reverse engineer, reverse compile or reverse assemble the Products in whole or in part, and Company will not develop: (a) any products incorporating any of FLIR's Intellectual Property; nor (b) any improvements or applications related to the Intellectual Property, except as may be authorized by a written license agreement between FLIR and Company or provided in the applicable Product Schedule. Company agrees not to apply for the registration of Intellectual Property in any country nor otherwise take any action inconsistent with FLIR's rights in the Intellectual Property. Except as provided herein, Company will not use in any way (including in Company's letterhead or presentation cards) FLIR's trade or business names or trademarks. Company will immediately notify FLIR in writing of any potential infringement of FLIR's Intellectual Property by other parties, or of any claim or possibility that the Intellectual Property infringes the rights of others, and will cooperate with FLIR to protect FLIR's Intellectual Property against infringement. Company will assist FLIR in filing applications or other documents for the purpose of obtaining Intellectual Property registration or other rights in the Territory, for the benefit of FLIR. FLIR shall own any updates or enhancements to Products, whether developed by Company or FLIR. Company agrees that it shall not do, or cause to be done, any act that contests or in any way impairs any portion of FLIR's and its licensors, right, title and interest in and to such Intellectual Property. Company shall not obscure or remove any proprietary rights notices of FLIR or its licensors contained in Products, including any trademarks, and copyright notices.

**6.2 License Grant.** Subject to Company's compliance with all of the terms and conditions of this Agreement, FLIR hereby grants to Company a non-exclusive, non-transferrable, limited right to use and display FLIR's trademarks, service marks, trade names, and logos related to Products, including but not limited to the trademarks and names FLIR and FLIR SYSTEMS ("Marks"), in connection with the marketing, advertisement, packaging, and distribution of Products in accordance with this Agreement. Company agrees to abide by all quality control specifications and guidelines for use of the Marks contained at <http://www.flir.com/premiumpartner/> or otherwise communicated by FLIR to Company from time to time. Company agrees to cooperate with FLIR to facilitate FLIR's monitoring and control of the nature and quality of Products and services offered in connection with the Marks and to supply FLIR with specimens of use of the Marks upon request. Company understands and agrees that the use of any of the Marks in connection with this Agreement shall not create any right, title, or interest in or to any of such Marks and that all such use and goodwill associated therewith shall inure to the benefit of FLIR. Company's use of the Marks shall be limited solely to, and in connection with, the sale of FLIR products. No third party trademark, service mark, trade name or logo shall be used in conjunction with any of the Marks. Upon termination of this Agreement,



Company shall immediately cease any and all use of the Marks in any manner whatsoever.

**6.3 Domain Names and Email Addresses.** Company shall not, without the prior written consent of FLIR, obtain, maintain, register, or use any domain name or email address comprised solely or partially of any of the Marks. In the event Company has previously registered and is maintaining a domain or email address comprised solely or partially of any of the Marks, or if FLIR has consented to the use and/or registration of any domain name or email address comprised solely or partially of any of the Marks, Company acknowledges that upon termination of this Agreement, the continued use and/or ownership of such domain name(s) or email address(es) would harm FLIR's rights in the Marks, and infringe the Marks. Accordingly, Company agrees to assign to FLIR any and all domain names comprised solely or partially of any of the Marks and terminate use of any email address(es) comprised solely or partially of any of the Marks immediately upon termination of this Agreement.

**6.4 Keyword Advertising.** Company shall not, without the prior written consent of FLIR, engage in any keyword advertising using wording comprised solely or partially of any of the Marks. In the event of FLIR's consent to the use of any of the Marks in keyword advertising, Company acknowledges that upon termination of this Agreement, the continued use of such keyword advertising would harm FLIR's rights in the Marks, infringe the Marks, and constitute unlawful unfair competition. Accordingly, Company agrees to cease any and all keyword advertising comprised solely or partially of any of the Marks immediately upon termination of this Agreement.

**6.5 Public Relations and Advertising.** Company acknowledges FLIR's need to promote uniformity in the use of its name throughout the world, and agrees that it will not generate advertising or publicity, issue press releases, or cause any other announcements with FLIR's name or trademarks without securing the prior written approval of FLIR. In the case of a denial, FLIR will use reasonable efforts to assist Company in developing suitable announcements that meet Company's reasonable advertising and public relations needs.

## **7. COMPLIANCE WITH LAWS.**

**7.1 General Obligations.** Company will comply, and will cause its directors, officers and employees (and any third-parties whose services are employed in furtherance of this Agreement) to comply with all laws, regulations and executive orders of the U.S. and all other countries applicable to its performance of this Agreement, including in connection with the sale, resale, delivery, or re-delivery of the Products and information hereunder, including but not limited to the requirements of Arms Export Control Act (22 U.S.C. 2751-2794), the International Traffic in Arms Regulations ("ITAR") (22 C.F.R. 120 et seq., the Export Administration Act of 1979 (50 U.S.C. 2401-2420), the Export Administration Regulations ("EAR") (15 C.F.R. 730-774), the Office of Foreign Assets Control ("OFAC") regulations (31 C.F.R. Chapter V), the International Emergency Economic Powers Act ("IEEPA") (50 U.S.C. 1701-1706), the Trading with the Enemy Act ("TWEA") (50 U.S.C. 5, 16), Anti-Bribery Laws (as defined below), laws related to the protection of personal data, and all other applicable laws and regulations (collectively, "Laws"). FLIR shall not be liable if any government export authorization is delayed, denied, revoked, restricted or not renewed despite reasonable efforts by FLIR. Additionally, such delay, denial, revocation or non-renewal shall not constitute a breach of this Agreement. FLIR shall have no obligation to deliver any Products or information to Company under this Agreement, except as permitted under Laws. FLIR reserves the right, in its sole discretion, to decline or to cancel the unshipped balance of any or all orders for any reason, including if appropriate authorization is not obtained from any governments exercising export authority, or for any violation or suspected violation of the terms of this Agreement or the Laws, and FLIR shall have no liability to Company in any way for any such cancellations.

**7.2 Export, Import and Related Obligations.** Company understands that the Products and FLIR information provided under this Agreement may be subject to export regulations by the United States or other governments, and agrees that it will not provide nor assist in providing the Products or such information to a customer or potential customer, without ensuring clearance from FLIR for the purpose of compliance with the EAR, ITAR and other applicable Laws. Company shall comply with the Laws as well as all laws and regulations in Company's jurisdiction and any other jurisdiction related to the import, export, re-export, transfer, shipping, sale, re-sale and/or use of the Products and information. Company agrees that it will not export, reexport, sell, distribute, disclose, release or otherwise transfer any Product or information provided under this Agreement to any country, person, or entity prohibited under Laws, including but not limited to parties and entities: (i) located, organized, or ordinarily resident in a country or territory that is, or whose government is, the target of comprehensive U.S. trade sanctions, including the Crimea Region, Cuba, Iran, North Korea, and Syria, (ii) located, organized, or ordinarily resident in a country designated as a "State Sponsor of Terrorism" by the U.S. Department of State, or (iii) identified on the Specially Designated Nationals and Blocked Persons List, the Denied Persons List, the Entity List, the Unverified List, or the Debarred List, or any other applicable prohibited party list of the U.S. Government, without U.S. Government authorization. This clause applies regardless of the legality of such a transaction under local law. The Company shall screen all potential customers against applicable restricted persons lists prior to any direct or indirect transfer of Products or information subject to this Agreement. This clause will apply regardless of the legality of such a transaction under local law. Neither the country of shipment nor Product country of origin (manufacture) denoted on shipping documentation are confirmation of Free Trade Agreement ("FTA") eligibility. Rules of origin for each specific FTA differ. FTA eligibility will be certified by Buyer's trained and qualified FTA specialist and will only be certified as eligible if Products meet the qualification requirements.

**7.3 Restriction on Military Use.** Except as permitted in a Product Schedule, Company shall not use any Products sold by FLIR for any military end-use or to a military end-user, or resell them for such purpose, especially for sales made into China, Russia and Venezuela.

**7.4 Antidumping.** Company is responsible for notifying FLIR if any antidumping or countervailing duties or other duties or tariffs are applicable when FLIR is not the importer of record. If Company requests FLIR to purchase materials, parts and/or components that fall under antidumping and countervailing duty orders, Company shall reimburse FLIR for any costs, fines or penalties related thereto and Company and FLIR shall work together to modify the sourcing options to bring the materials, parts and/or components out of scope of such order.

**7.5 Anti-Bribery Laws.** Company understands the requirements of the U.S. Foreign Corrupt Practices Act of 1977 ("FCPA"), the UK Bribery Act 2010 and all other applicable laws related to anti-bribery and corruption (collectively, the "Anti-Bribery Laws") and agrees to strictly comply therewith. Company certifies that it has not and will not engage in the bribery of Foreign Officials by directly or indirectly paying money or giving anything of value to any Foreign Official or offering the same in order to influence any action or decision for the purpose of obtaining or retaining business or securing any competitive advantage. Company further agrees that it will maintain and enforce a policy that prohibits the bribery of Foreign Officials. Company may view the FCPA in its entirety at: [www.usdoj.gov](http://www.usdoj.gov). Company has disclosed to FLIR during the due diligence process the identity of Company's owners, chief executive officer, senior sales official and other personnel who will be involved in the proposed relationship with



FLIR. Company will promptly notify FLIR in writing of any changes in the individuals holding these positions, and provide curriculum vitae (resumés) upon FLIR's request

**7.6 Government Interests; Foreign Officials.** Except as otherwise disclosed to FLIR in the due diligence questionnaire submitted by Company to FLIR, (a) Company is not and will not be directly or indirectly Government-owned, in whole or in part, and none of Company's officers, directors or personnel who will be performing work in connection with this Agreement is a Foreign Official and (b) if Company is a non-public business entity, Company also represents, warrants and covenants that none of its owners, partners or shareholders is a Foreign Official.

**7.7 Personal Data.** In connection with its obligations pursuant to this Agreement, Company may have access to Personal Data. Company agrees that (a) it is receiving Personal Data only in connection with the performance of the services contemplated by this Agreement, (b) it will maintain Personal Data in strict confidence, and (c) except as required by Law, it will not use, disclose or otherwise process Personal Data without the express written permission of FLIR for any purpose other than in connection with the performance of the services contemplated by this Agreement. Company agrees to maintain appropriate administrative, technical and physical safeguards designed to (a) ensure the security and confidentiality of Personal Data, (b) protect against any anticipated threats or hazards to the security and integrity of Personal Data, and (c) protect against any actual or suspected unauthorized processing, loss, use, disclosure or acquisition of or access to Personal Data. Each Party authorizes the other Party and its Affiliates (and their successors and assigns, contractors and business partners) to store and use such Party's contact information in connection with FLIR's sale, support and servicing of the Products, and for other lawful purposes.

**7.8 Authorization and Recordkeeping.** Subject to the delivery terms of this Agreement, each Party shall be responsible for obtaining and maintaining any authorization required for its performance under this Agreement (including the transfer of any Product or information under this Agreement), such as all related export licenses, import licenses, exchange permits and other required government export or import authorization. Each Party shall provide reasonable assistance necessary for the other Party to secure and comply with such authorizations as may be required. Company shall maintain all records evidencing its compliance with the terms of this Agreement, including this Section 7, for the longer of three years following the expiration or termination of this Agreement or the period required by the Laws, and shall make such records available for inspection by FLIR upon request, including the name and address of each end-user and potential end-user of the Products and information related thereto, the use given or contemplated to be given to the Products or information by such end-user or potential end-user, and any other reasonable information requested by FLIR.

## **8. INDEMNIFICATION.**

**8.1 Company.** Company will indemnify, defend and hold harmless FLIR and its Affiliates and each of their respective directors, officers, employees, agents and contractors (collectively, the "Indemnified Parties"), from and against any claim, suit, action or proceeding brought against any Indemnified Party and arising out of or in connection with (a) the failure of Company or any of its Affiliates (and, any of their respective directors, officers, employees, agents and contractors) to comply in all respects with all Laws; (b) any third-party claims arising out of any warranty, promise or representation made by Company that differ from FLIR's standard limited warranty in effect at the time such warranty, promise or representation was made by Company; and (c) any third-party claims arising out of any acts or omissions of Company.

## **9. TERM AND TERMINATION.**

**9.1 Term.** The term of this Agreement will commence on the Effective Date and expire on the two (2) year anniversary of the Effective Date, unless it is terminated earlier pursuant to this Agreement or the term is extended by a duly executed amendment.

**9.2 Termination for Default.** Either Party may terminate this Agreement for default, in whole or in part, if the other Party (i) fails to comply with any of the material terms of this Agreement; (ii) files or has filed against it a petition in bankruptcy; (iii) becomes insolvent or suffers a material adverse change in financial condition; experiences a change of control event. The defaulting Party shall have thirty (30) days after receipt of written notice of same from the non-defaulting Party to cure any such default.

**9.3 Termination for Convenience.** FLIR may terminate this Agreement and/or any Product Schedule without cause upon ten (10) days' prior written notice to Company or such other period of notice as may be required by law.

**9.4 Obligations of Parties Upon Expiration/Termination of Agreement.** Upon expiration or termination of this Agreement, Company will as promptly as possible (but in any case within thirty (30) days after the expiration or termination of this Agreement) return to FLIR all tangible Confidential Information and other materials provided to Company pursuant hereto, and shall thereafter, keep confidential all intangible Confidential Information furnished or made available to Company, its employees and/or representatives pursuant to this Agreement. The expiration or termination of this Agreement will not affect the rights and obligations of the Parties hereto with respect to the sale and purchase of the Products for which FLIR has accepted orders prior to such expiration or termination of this Agreement, provided however, FLIR may in its sole discretion cancel any such orders. Company and FLIR agree that the obligations described in sections entitled "Prices and Payment", "Warranty Exclusions and Disclaimers", "Confidential Information", "Intellectual Property", "Compliance with Laws", "Indemnification", "Term and Termination", "Limitation of Liability", "General Provisions" and "Definitions" of this Agreement will survive the expiration or termination of this Agreement.

## **10. LIMITATION OF LIABILITY.**

**10.1 Limitation of Damages.** NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, AND TO THE MAXIMUM EXTENT ALLOWED BY LAW, NEITHER PARTY BE LIABLE TO THE OTHER FOR ANY PUNITIVE, EXEMPLARY OR OTHER SPECIAL DAMAGES OR FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOSS OF USE, INCOME, PROFITS OR ANTICIPATED PROFITS, BUSINESS OR BUSINESS OPPORTUNITY, SAVINGS, DATA, BUSINESS REPUTATION OR GOODWILL) ARISING UNDER OR RELATING TO THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED IN CONTRACT, BREACH OF WARRANTY, TORT, NEGLIGENCE OR ANY OTHER THEORY, AND REGARDLESS OF WHETHER SUCH PARTY HAS BEEN ADVISED OF, KNEW OF, OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, FLIR'S MAXIMUM LIABILITY TO COMPANY FOR ANY REASON OR IN CONNECTION WITH ANY CLAIM BY COMPANY WILL NOT EXCEED THE



AMOUNTS PAID BY COMPANY IN THE YEAR IMMEDIATELY PRECEDING THE YEAR IN WHICH IT IS ASSERTED THE LIABILITY AROSE OR \$50,000 (UNITED STATES DOLLARS), WHICHEVER IS LESS, AND SUCH LIABILITY WILL TERMINATE ONE YEAR FROM THE DATE OF THE EVENT WHICH GAVE RISE TO THE CLAIM.

**10.2 Waiver.** EACH PARTY, AS A MUTUAL INDUCEMENT TO THE OTHER PARTY TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT, EXPRESSLY WAIVES ITS RIGHT TO ASSERT ANY CLAIM FOR THE DAMAGES PRECLUDED IN THIS AGREEMENT AND AGREES NOT TO SEEK TO RECOVER ANY SUCH DAMAGES IN CONNECTION WITH ANY CLAIM, ACTION, SUIT OR PROCEEDING ARISING UNDER OR IN RELATION TO THIS AGREEMENT. IN NO EVENT WILL THIS SECTION BE DEEMED OR DETERMINED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE, AND THIS SECTION WILL APPLY EVEN IF ANY OTHER WARRANTY, REMEDY OR OTHER PROVISION OF THIS AGREEMENT HAS BEEN DETERMINED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

## **11. GENERAL PROVISIONS.**

**11.1 Governing Law.** This Agreement shall be governed by the laws of the State of Delaware, United States, without regard to choice of law or conflict of law rules, and Company hereby submits to the jurisdiction of the Federal and state courts of Delaware and the applicable service of process. The official text of the Agreement or any notices required hereby shall be in English. In Canada, Province of Quebec for all contracts drafted in English, both Parties agree to write this document in English. Les Parties ont convenu de rédiger le présent document en langue anglaise.

**11.2 Assignment.** Company will not assign or otherwise transfer its rights, obligations or remedies under this Agreement, in whole or in part, to a third party without FLIR's prior written consent.

**11.3 Notices.** All notices hereunder shall be sent by the notifying Party, in writing, to the other Party at its address set forth on the first page of this Agreement (or such other address as they may communicate to the notifying Party in writing), to the attention of the person signing this Agreement and, in the case of FLIR, with a copy to the FLIR General Counsel at FLIR Systems, Inc., 27700 SW Parkway Avenue Wilsonville, Oregon 97070 USA. Notice shall be deemed delivered and effective: (i) when delivered personally, (ii) five (5) days after posting when sent by registered mail, or (iii) one (1) day after posting when sent by reputable private overnight courier (e.g., DHL, Federal Express, etc.).

**11.4 Relationship Between the Parties.** In all matters relating to this Agreement, the Parties shall act as independent contractors. Neither Party will represent that it has any authority to assume or create any obligation, expressed or implied, on behalf of the other Party, or to represent the other Party as agent, employee, or in any other capacity.

**11.5 Injunctive Relief.** Each Party recognizes and acknowledges that any use or disclosure of Confidential Information, Intellectual Property or Restricted Information by the Recipient in a manner inconsistent with the provisions of this Agreement may cause irreparable damage to the Disclosing Party for which remedies other than injunctive relief may be inadequate, and the Recipient agrees that in any request by the Disclosing Party to a court of competent jurisdiction for injunctive or other equitable relief seeking to restrain such use or disclosure, the Recipient will not maintain that such remedy is not appropriate under the circumstances. The Parties further agree that in the event such equitable relief is granted, they will not object to courts in other jurisdictions granting provisional remedies enforcing such judgments.

**11.6 Partial Invalidity; Waiver.** If any provision of this Agreement or the application thereof to any Party or circumstances shall be declared void, illegal or unenforceable, the remainder of this Agreement shall be valid and enforceable to the extent permitted by applicable law. In such event the Parties shall use reasonable efforts to replace the invalid or unenforceable provision by a provision that, to the extent permitted by applicable law, achieves the purposes intended under the invalid or unenforceable provision. Any deviation by either Party from the terms and conditions required under applicable laws, rules and regulations shall not be considered a breach of this Agreement. No failure of either Party to exercise any power or right given either Party hereunder or to insist upon strict compliance by either Party with its obligations hereunder, and no custom or practice of the Parties at variance with the terms hereof shall constitute a waiver of either Party's right to demand exact compliance with the terms of this Agreement.

**11.7 Entire Agreement; Headings; Counterparts.** This Agreement, and the Schedules and exhibits thereto, constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof, and supersedes all prior agreements, arrangements and undertakings between the Parties. No addition to or modification of any provision of this Agreement shall be binding upon the Parties unless made by a written instrument signed by a duly authorized representative of FLIR. The headings to the sections of this Agreement are for ease of reference only and shall not affect the interpretation or construction of this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall be deemed to be an original instrument. Any rule of construction or interpretation that ambiguities are to be construed against the drafter will not apply to this Agreement.

**11.8 Insurance.** Company agrees that, during the term of this Agreement, Company will maintain general liability insurance acceptable to FLIR that is, at a minimum, commercially adequate and customary in the Territory, or statutorily required, considering Company's business and the nature of products sold, marketed and/or serviced by Company, including the Products. Company will provide evidence of its liability insurance to FLIR upon request and thereafter will advise FLIR immediately of any changes in coverage or insurer.

**11.9 Ethical Business Conduct.** In its performance of this Agreement, Company will conduct itself, and will cause its directors, officers and employees (and any third-parties whose services are employed in furtherance of this Agreement) to conduct themselves in conformance to the highest standards of ethical business behavior in the United States and around the globe.

**11.10 Force Majeure.** Neither Party will be liable to the other if its performance is delayed by circumstances beyond its reasonable control. In the event of delay in performance due to any such cause, the date of delivery or time for completion will be extended at least by the length of time lost due to such delay.

**12. DEFINITIONS.** In the Agreement, each of the following terms will have the meaning assigned to it in this Section.

**12.1 "Acknowledgement"** means a purchase order confirmation or order acknowledgment issued by FLIR to Company which confirms the Products ordered, pricing and other relevant terms of the transaction.

- 12.2 “Affiliates” means with respect to either Party, any other entity directly or indirectly controlling, controlled by, or under common control with such Party. Each Party shall be responsible for the breach of the terms of this Agreement by its Affiliates.
- 12.3 “Field” means the markets and customers identified in a Product Schedule.
- 12.4 “Foreign Official” means any officer or employee of the Government, or any Person acting in an official capacity for or on behalf of the Government, or any political party, party official or candidate for political office in the Territory, or any director, officer or employee of any Public International Organization.
- 12.5 “Government” means the national government of the Territory and/or any provincial or other local government located therein, and any department, agency or instrumentality thereof, or any Person acting in an official capacity for or on behalf of any of the foregoing.
- 12.6 “Person” means an individual, partnership, joint venture, company, trust, unincorporated organization, government or other entity.
- 12.7 “Personal Data” means any information relating to an identified or identifiable individual (such as name, postal address, email address, telephone number, date of birth, Social Security number (or its equivalent), driver’s license number, account number, credit or debit card number, personal identification number, health or medical information, or any other unique identifier or one or more factors specific to the individual’s physical, physiological, mental, economic or social identity), regardless of the media in which it is contained, that may be (a) disclosed at any time to Company by FLIR in anticipation of, in connection with or incidental to the performance of services for or on behalf of FLIR, (b) collected, used, disclosed or otherwise processed at any time by Company in connection with or incidental to the performance of services for or on behalf of FLIR, or (c) derived by Company from the information described in (a) and (b) above.
- 12.8 “Public International Organization” means any entity identified as such (along with the United Nations, the World Bank, etc.) in the FCPA.
- 12.9 “Products” means the products identified in Product Schedules attached to or referencing the Agreement.
- 12.10 “Specifications” means the specifications delivered to Company with or in the Product and/or published on FLIR’s website for the applicable version of the Product.
- 12.11 “Territory” means the countries identified in Product Schedules.

In Witness Whereof, the Parties have caused this Agreement to be executed as of the Effective Date.

FLIR Systems, Inc.



Signature

Paul Clayton

Signer’s Name

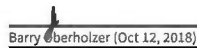
VP, GM of OEM and Emerging Division

Signer’s Title

Oct 12, 2018

Date signed

Royal Holdings Technologies Corporation



Signature

Barry Oberholzer

Signer’s Name

CEO

Signer’s Title

Oct 12, 2018

Date Signed

**Product Schedule A**  
**Royal Holdings Technologies Corporation**

This Product Schedule (this "Schedule") is effective as of the last date signed below (the "Schedule A Effective Date") and is issued to and made a part of the Product Supply Agreement (this "Agreement") between FLIR Systems, Inc., an Oregon corporation located at 27700 SW Parkway Avenue, Wilsonville, OR 97070, U.S.A. ("FLIR"), and Royal Holdings Technologies Corporation, a California corporation located at 8560 W. Sunset Blvd., 10th floor, West Hollywood, CA 90069, USA ("Company"). Capitalized terms used in this Schedule and not defined herein are defined in the Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be bound hereby agree to add the Products described herein on the terms and conditions of this Schedule and the Agreement.

<b>Company Contact:</b>	Name: Barry Oberholzer Title: CEO Phone: 310-928-5344 Email: barry@royalholdings.org	
<b>FLIR Contact:</b>	Name: Daniel Jarvis Title: Director, Business Development, OEM Email: dan.jarvis@flir.com	
<b>Relationship:</b>	<input type="checkbox"/> Dealer/Retailer: Company is authorized to buy FLIR Products and/or services for resale or distribution, but (a) <u>does not</u> modify, or integrate or combine with other products or services, the FLIR Products and/or services, and (b) <u>does</u> sell directly to End Users, online or from a physical store. <input type="checkbox"/> Distributor: Company is authorized to purchase and take title to Products and resell them to End Users or other customers. <input checked="" type="checkbox"/> Integrator: Company is authorized to purchases and take title to FLIR Products and combine them with other systems and/or products where the FLIR Product is less than 80% of the combined product or system sold to End Users or other customers <input checked="" type="checkbox"/> OEM: Company is authorized to bundle or incorporate Products into OEM's own products or technology for resale. <input type="checkbox"/> Other Explain: _____	
<b>List of FLIR Products:</b>	FLIR Lepton 3.5, FLIR PN 500-0771-01	
<b>Field:</b>	<div> <b>Government End Use</b>  <input checked="" type="checkbox"/> OEMs Distributors, or Integrators selling to Military or National Security End Users  <input checked="" type="checkbox"/> OEMs or Integrators selling to Government (Non-Military) End Users or National Security End Users  <input checked="" type="checkbox"/> Military  <input checked="" type="checkbox"/> National Security End Use (MoI, DHS, Border Guard, Coast Guard, National Police etc.)  <input checked="" type="checkbox"/> Non-Military Government End Use including state-owned enterprises         </div> <div> <b>Commercial End Use</b>  <input checked="" type="checkbox"/> Commercial integrators and OEMs for non-government end users  <input checked="" type="checkbox"/> Commercial Organizations         </div> <div> <b>Market Segments</b>          OEM and Emerging       </div>	
<b>Territory:</b>	United States of America	
<b>Minimum Performance/ Sales Target:</b>	<div>Annual</div> <div>Minimum Order Value: _____</div>	<div>Quarterly</div>



	If Company fails to meet the minimum performance requirements shown above, FLIR may in its sole discretion: (a) terminate this Product Schedule, (b) add restrictions to Company's Territory and/or Field, or (c) increase the Product prices. Without limiting the generality of the foregoing, Company will not be required to make any minimum purchase of Products from FLIR irrespective of actual sales.
Shipping Terms (Incoterms 2010)	All prices quoted (including repairs, part and goods) are EX-WORKS (INCOTERMS 2010) from FLIR's facilities. Shipments from FLIR are not insured and the Company acknowledges that it is the Company's responsibility to obtain shipping insurance.
Product Pricing:	<b>FLIR Lepton: price per unit is \$189.00 each based on 15,000 units to be delivered in 2019</b>  FLIR may from time to time make changes in the Product prices in its sole discretion upon thirty (30) days' prior written notice to Company. If a Product price increases after a purchase order has been accepted by FLIR for a Product, the Product price for such Product will be the Product price at the time such order was accepted by FLIR, provided that FLIR ships the Product within ninety (90) days of the Product price increase taking effect.
Payment Terms:	Payment shall be invoiced as: <input checked="" type="checkbox"/> Cash in Advance <input type="checkbox"/> Net 30 <input type="checkbox"/> Other Net _____ Credit limit: _____ Currency: <input type="checkbox"/> € Euro <input type="checkbox"/> £ British pound <input checked="" type="checkbox"/> \$U.S. dollar <input type="checkbox"/> Other _____
Demonstration Systems:	Company shall purchase the following systems from FLIR for demonstration purposes only (" <u>Demonstration Systems</u> "): <input checked="" type="checkbox"/> <b>NONE REQUIRED</b> <input type="checkbox"/> _____  Company shall use the Demonstration Systems for demonstration purposes only, and are not to be used for any productive purpose. For loaners or rentals of Products for productive uses, contact your FLIR representative.
Additional Terms related to the Products:	<b>Safety Act Reciprocal Waiver of Claims.</b> For sales of FLIR's Products that have been designated or certified by the U.S. Department of Homeland Security as Qualified Anti-Terrorism Technology ("QATT") under the Support Anti-terrorism by Fostering Effective Technologies Act of 2002 ("SAFETY Act"): Where the QATT Product has been deployed in defense against, response to, or recovery from an Act of Terrorism as that latter term is defined under the SAFETY Act, FLIR and Company agree to waive all claims against each other, including their officers, directors, agents or other representatives, arising out of the manufacture, sale, use or operation of the QATT Product, and further agree that each is responsible for losses, including business interruption losses, that it sustains, or for losses sustained by its own employees resulting from an activity arising out of such Act of Terrorism.  <b>Software.</b> If the Products include software from FLIR (" <u>Software</u> "), FLIR grants Company a nonexclusive, perpetual license to use the Supporting Software only on and in conjunction with the Principal Product, and all Software as otherwise provided in this Agreement and any license agreement embedded in or delivered with the Software. Company agrees that title to the Software remains with FLIR (and its suppliers, if any). Company will not use, copy, modify, or distribute the Software except as expressly permitted in this Agreement; use any of the Software components, files, modules, audio-visual content, or related licensed materials separately from the Software; or sublicense, rent, or lease the Software. In addition, Company will use the Supporting Software only in conjunction with the related Principal Product. For purposes of this section, " <u>Supporting Software</u> " is Software that is part of another FLIR Product (" <u>Principal Product</u> "). This license applies to each copy of the Software that Company makes. Company may copy the Software for archival or back-up purposes in connection with the use of the Products. Company may transfer the license for Supporting Software if transferring the related Principal Product pursuant to the  <b>Cloud Services.</b> If the Products include cloud-based services, the terms of use applicable to such services which are published on FLIR's website at <a href="http://www.FLIR.com">www.FLIR.com</a> are incorporated into this Agreement by reference.  <b>Additional Duties of Distributor.</b> Company will at all times during the term of this Agreement and at its own expense:  (a) promote, market and sell the Products aggressively and in a professional manner within the Territory to existing and new customers and accurately represent the Products to such customers;  (b) maintain sufficient resources (including facilities, employees, etc.) necessary and sufficient for the performance of Company's obligations hereunder and assign only qualified personnel to perform hereunder;  (c) attend trade shows and seminars for the Products and FLIR sales meetings and training sessions;  (d) distribute any technical or marketing material on the Products, conduct Product promotions and exhibit and demonstrate the Products;  (e) provide primary and ongoing Product support services, including first-line Product repair and maintenance and technical advice;  (f) comply, and cause its employees and agents to comply, with all sales restrictions and security policies established by FLIR from time to time and all of FLIR's educational, commercial and technical instructions regarding the Products;

	(g) refrain from taking any action which is or may be detrimental to FLIR;
	(h) refrain from, directly or indirectly, promoting, marketing, selling, distributing or reselling any products competitive with the Products;
	(i) provide FLIR with the following information, within the first week after the expiration of each calendar year quarter: (i) a written report summarizing all potential sales, the names and addresses of the customers contacted, the status of promotional activities, customer feedback, and any other information as FLIR may request; (ii) a rolling 3-month forecast providing Company's best estimates of customer order volumes per customer for each of the next four (4) months; and (c) any additional projected sales and related information as FLIR may from time to time request; and
	(j) provide (a) proper training of its employees and representatives who demonstrate and solicit sales for Products; and (b) proper training, of all customers who purchase the Products, including any ongoing training as directed by FLIR or as Company believes necessary in order to ensure proper use of the Products by those customers and their employees. Company will ensure that its employees are properly trained and have read and are familiar with the operating manuals and other important Product information before they demonstrate any Products or train or otherwise engage with any customer. Company will promptly provide FLIR with any information that may be helpful to FLIR in its ongoing efforts to provide good training in the safe and effective use of the Products.

In Witness Whereof, the Parties have caused this Schedule to be executed as of the Schedule A Effective Date.

FLIR SYSTEMS, INC.



Signature

Paul Clayton

Signer's Name

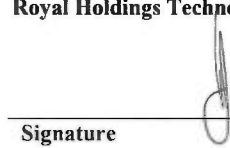
Vice President, General Manager, OEM & Emerging

Signer's Title

Oct 12, 2018

Date signed

Royal Holdings Technologies Corporation



Signature

Barry Oberholzer

Signer's Name

CEO

Signer's Title

10/11/18

Date Signed



Created: 10/12/2018

By: cliff.adelhelm@flir.com

Status: Signed

Transaction ID: CBJCHBCAABAAXFcGTpH6CpahOW4kYjDQzjByLWGSblox