

General Terms of Purchase - Gerd Bär GmbH

1. Scope of validity, inclusion

The legal relationship between the supplier and the purchaser is based exclusively on the following terms and conditions and any other individual agreements reached. Changes and amendments to these terms and conditions must be in writing. This also applies for any deviations from or cancellation of this requirement for written form. Supplier's general terms and conditions do not represent a part of the contractual relationship even if this is not explicitly contradicted by the purchaser.

2. Orders

2.1 Orders and their acceptance by the supplier as well as delivery schedule call-offs by the purchaser (including any amendments or supplements) can be made in written or electronic form. Only the text of the order used by the purchaser shall apply in line with these terms and conditions. Delivery schedule call-offs can also be made by data transmission. If the purchaser orders by data transmission, the supplier are responsible for ensuring that the data contents are overwritten correctly when processing the provided data

2.2 The purchaser is entitled to cancel the order if the purchaser has not received the supplier's order confirmation within five working days from receipt of the order or delivery schedule call-off by the supplier. Orders or delivery schedule call-offs become binding at the latest five days after receipt thereof if not contradicted in writing by the supplier

2.3 Within the scope of what is acceptable, the purchaser can demand changes to the design and construction of the supplied object. The effects thereof, in particular any rise or fall in costs and delivery dates, are to be regulated by mutual agreement.

2.4 Unless otherwise agreed, delivery is in accordance with DDP (Incoterms2010).

3. Prices

3.1 The applicable prices shall be specified in the agreement made between purchaser and supplier.

3.2 Unless otherwise agreed, prices include transport costs to the delivery address specified by the purchaser, including packaging costs and insurance costs.

4. Delivery of contractual products and spare parts

The supplier is obliged to supply the contractual products and all amended versions thereof for a period of at least fifteen years for subsequent sales purposes and series production. This is binding for the duration of this agreement and for fifteen (15) years after the last delivery of goods. The supplier is obliged to bind their sub-supplier to guarantee this accordingly as well. The supplier is obliged to supply the goods in accordance with the last valid version of this agreement or the corresponding order.

5. Delivery dates and deadlines

5.1 Delivery dates and delivery deadlines are binding.

5.2 If the supplier perceives difficulties with regard to the manufacture, supply of materials, compliance with the delivery deadline or similar circumstances that could prevent the supplier from delivering on time or in the contracted quality, the supplier shall immediately notify the purchaser.

5.3 The duty to adhere to the agreed deadlines remains unaffected.

5.4 Deliveries prior to the agreed delivery dates are to be avoided. If the supplier are nevertheless delivered prior to the agreed delivery date, the purchaser shall have the right to refuse acceptance of the products or accept the products on condition that all storage costs be borne by the supplier.

6. Default of delivery

6.1 Supplier are in default of delivery if agreed dates and deadlines have been exceeded without the need for any new deadlines to be set. The purchaser, however, can only withdraw from the contract or demand damages instead of contractual performance after having set the supplier an appropriate subsequent deadline for performance and that deadline also having passed without fulfilment of obligations.

6.2 The supplier is obliged within the scope of legal regulations to compensate the purchaser for damages incurred as a result of the overdue delivery, even without any subsequent deadline having been set. Compensation also covers additional freight costs, refitting costs and additional expenses for covering purchases.

6.3 The parties agree on a contractual penalty in the amount of 1% of the total order value per working day. The contractual penalty shall not exceed a total of 10% of the total order value. The contractual penalty shall only be due in the event of culpable breach of contract.

7. Force majeure

- 7.1 Force majeure, in particular industrial disputes, unrest, official action and other unforeseen, unavoidable events which are uncontrollable by either contractual partner exempt the respective contractual partners from their contractual obligations for the duration of the fault and the extent of its effects. The partner in whose area of responsibility the event of force majeure occurs shall inform the other party punctually in each case about the duration of the fault as well as any solution possibilities that become evident. In the event of a case of force majeure lasting longer than thirty calendar days or if it can be foreseen upon the occurrence thereof that in all possibility it will last longer than thirty calendar days, the other contractual partner is entitled to withdraw from the agreement; this shall also apply if it becomes apparent following an occurrence of force majeure that this will last longer than originally assumed.
- 7.2 In the event of cases of force majeure, the contractual partners are obliged within the scope of what can be reasonably expected to provide the necessary information without delay and adjust their obligations in all good faith to suit the change in conditions.

8. Packaging

- 8.1 The supplier must pack the goods carefully. Purchaser reserves the right to accept the packaging material as its own property or to return the materials against a credit note. When special or recyclable packaging is used, it must be made available on a loan basis by the supplier. The return shipment is at the cost and risk of the supplier. If, by way of exception, purchaser declares agreement with the acceptance of packaging costs, such costs must be calculated at the verifiable own price cost.
- 8.2 In the event of delivery on euro pallets, only pallets capable of being returned in an undamaged condition may be used. Shipments on non-returnable and special pallets, whose use is not required for technical reasons, require prior agreement from purchaser that must be granted in writing, by electronic form.

9. Transport

In the case of dispatch sales according to buyer's instructions, the purchaser reserves the right to stipulate the shipping route as well as the choice of carrier and type of packaging separately in advance. The purchaser will take out transport insurance.

10. Tools and models

- 10.1 Insofar as the order includes an acceptance of tool and model costs or proportional tool costs irrespective of whether they are specially mentioned or are included in the purchase price of the goods, it is deemed as agreed that the tools or models fully become the property of purchaser. In particular, it is deemed as specified between the supplier and purchaser, that the supplier takes the tools into free-of-charge, proper custody and care, including adequate insurance against the normal risks such as fire, water and theft, and that the transfer here is fictitious.
- 10.2 Should purchaser deem it necessary to request the return of the tools or models from the supplier, the supplier shall accept such request without objection. The costs for the repair and renewal of tools models, molds, etc. shall be borne by the supplier unless expressly declared in writing that other agreements have been made.

11. Notice of defects

The purchaser shall notify the supplier in writing immediately of any apparent faults or defects in the delivery as soon as they have been discovered in the course of normal business procedures. In this respect, the supplier waives their right to an objection of belated notice of defect. If quality assurance agreements have been reached, their provisions have precedence over the terms and conditions contained herein.

12. Warranty / Liability for defects

- 12.1 The purchaser can demand the following in the event of a delivery of faulty goods if the respective statutory and following listed conditions have been fulfilled and insofar as nothing different has been agreed individually:
- a) Prior to the commencement of production (processing or installation), the purchaser shall give the supplier a one-off opportunity for sorting out and rectification of faults or subsequent (replacement) delivery, unless this is not reasonably acceptable for the purchaser. Supplementary performance must take place within 24 hours of fault detection and notification of the supplier. If the supplier is unable to comply with this or do not comply with this without delay, the purchaser can withdraw from the agreement without setting any further deadlines and send the goods back at the supplier's risk. In urgent cases in order to maintain production

and following notification of the supplier, the purchaser can obtain appropriate quantities of alternative supplies, carry out rectification of the fault or have it rectified by a third party. Any costs arising as a result thereof are to be borne by the supplier. If the same goods are supplied again in a faulty state, the purchaser is entitled to withdraw from the agreement including the non-fulfilled scope of delivery following written warning and repeat faulty delivery without this incurring any rights on the part of the supplier on any legal grounds whatsoever.

- b) If the fault is first discovered after commencement of production despite adherence to the obligations of section 11 of these general terms and conditions, the purchaser can at own discretion - demand one-off supplementary performance pursuant to Article 439 par. 1, 3 and 4 German Civil Code (BGB – Bürgerliches Gesetzbuch) and compensation for the transport costs necessary for the supplementary performance as well as removal and installation costs (labor costs and material costs), or - reduce the purchase price or - withdraw from the agreement or - demand compensation or repayment of expenses if the statutory requirements have been met.
 - c) In the event of a culpable infringement of obligations above and beyond the delivery of faulty goods (e.g. infringement of warning, advisory or examination duties), the purchaser can demand by law compensation for consequential harm resulting from defects, as well as for the compensation for consequential harm resulting from defects paid by the purchaser to its customers. Consequential harm resulting from defects represents the damages following delivery of faulty goods which are incurred by the purchaser from other legal objects rather than from the goods themselves.
- 12.2 Goods to be replaced by the supplier are to be placed at their disposal upon demand and at their expense by the purchaser without delay unless the respective parts have already been delivered or installed or a handover of the parts is not possible for the purchaser for any other reason
- 12.3 Claims from liability for defects (warranty) become void after a period of 3 years (statute of limitations) insofar as no longer period of limitation has been prescribed by agreement or law. The warranty period commences on the date on which the vehicle is registered or a spare part is installed.
- 12.4 In the case of defective deliveries, claims by purchaser arising from product liability law or non-permitted action of the management without mandate of the provisions will not be affected under Clause 10. Quality and durability guaranties must be designated as such in detail and expressly in writing.
- 13. Liability**
- Insofar as no other special liability regulations have been reached at any other point of these terms and conditions, the supplier is obliged in compliance with statutory regulations to pay compensation for damages which have been incurred by the purchaser directly or indirectly as a consequence of a faulty or substandard delivery, infringement of safety regulations or any other legal grounds for which the supplier are to be held responsible. Any limitation of the supplier's liability for premeditation or gross negligence shall be legally non-binding in respect of the purchaser. In particular, the following provisions shall apply:
- 13.1 If claims are made against the purchaser by third parties on the ground of non-modifiable legal norms for liability regardless of culpability, the supplier shall exempt the purchaser to such extent as they would directly be liable to the third party themselves in place of the purchaser. The principles of Article 254 German Civil Code (BGB – Bürgerliches Gesetzbuch) shall also apply accordingly for the settlement of claims between the purchaser and supplier in the event of liability regardless of culpability. This also applies in the event of direct recourse to the supplier.
- 13.2 The supplier shall be liable for measures by the purchaser to avert damages (e.g. recall campaigns) insofar as such measures appear reasonably necessary on the grounds of circumstances, errors, faults etc. attributable to the supplier or if the purchaser should be legally obliged to such action by law, official instruction or court order.
- 13.3 The purchaser will inform and consult the supplier comprehensively and without delay if intending to take action against the supplier under the terms of the preceding provisions. The purchaser shall give the supplier due opportunity to examine the claim for compensation. The contractual parties shall keep each other continuously informed and coordinate in respect of steps to be taken, in particular the possibilities of a regulatory settlement as compromise in respect of claims by third parties.
- 13.4 The supplier is obliged to take out a product liability and recall campaign cost liability insurance with coverage for personal injury, damage to property and pecuniary loss to the amount of at least EUR 10 million per case, to maintain these insurances during the ongoing supply relationship without any disruption and to provide evidence to purchaser at all times if so requested.
- 13.5 If an insured event occurs, purchaser and the supplier are obliged to provide each other with information on all circumstances and events associated with the insured event.

14. Industrial property rights, development work

- 14.1 The supplier is liable for claims that occur during due contractual use of the supplied items as a result of an infringement of industrial property rights and property right registrations (industrial property rights), of which at least one from the property rights family has been published either in the home country of the supplier by the European Patent Office or in one of the states of the European Union or the USA.
- 14.2 The supplier shall indemnify the purchaser and its customers against all claims arising from the use of such industrial property rights and reimburse all expenses incurred in connection therewith. This claim shall exist irrespective of any fault on the part of the supplier
- 14.3 The contractual partners agree to notify each other immediately of any risks or possible risks of infringement and action by third parties that become known and give each other opportunity to take appropriate mutually agreed action against corresponding claims.
- 14.4 The same applies if it comes to the knowledge of a contractual partner that rights of the other contractual party which are of significance within the contractual relationship between the contractual parties are being infringed upon by third party.
- 14.5 Upon request by the purchaser, the supplier will give notification of the use of published and non-published own and licensed industrial property rights and registration of such rights in the supplied objects.
- 14.6 In the event that the supplier also carries out development work for the purchaser, the supplier shall carry out such development work on the basis of the latest standard of science and technology. The purchaser shall receive an exclusive, gratuitous, irrevocable, conveyable and sub-licensable right of use for all application purposes to the know-how and the copyrighted and non-copyrighted results of development work. Inventions that arise in the course of the development work by the supplier shall be implemented in full by the supplier and conveyed to the purchaser in full extent without delay and free of charge.

15. Non-disclosure clause

- Treatment of confidential information and production means
- 15.1 The contractual partners agree to treat as business secrets any non-public business and technical details that come to their notice in the course of the business relationship.
- 15.2 Drawings, models, patterns, samples, production means, tools and similar items remain the property of the purchaser and are to be treated with care, insured to an adequate amount and protected against access by third parties. They may not be passed on or otherwise made accessible to unauthorized third parties without the prior written permission of the purchaser. Duplication or copying of any such items is only permitted within the scope of business requirements and copyright regulations as well as the regulations of other laws serving to protect industrial property rights.
- 15.3 Sub-supplier and employees are to be bound to corresponding adherence.
- 15.4 The contractual partners may only use their business relationship for advertising purposes by prior written agreement.
- 15.5 Models, apparatus, molds and tools are to be insured against accidental damage or destruction and are to be maintained and stored correctly. The costs for this are to be borne by the supplier/manufacturers.
- 15.6 This also applies for tools, molds, apparatus and models that are not in direct use for production.

16. Data protection

- The supplier may only use such persons for fulfilment of the contract who have been bound to maintain and observe the obligation of secrecy and, where necessary, data secrecy pursuant to Article 5 Federal Data Protection Law (BDSG – Bundesdatenschutzgesetz) as well. The supplier agrees that data which has come to their notice in the course of their services shall only be used for work as stipulated in the agreement (designated purpose). If data is generated and stored by the supplier as a result of services provided by them, they shall protect such data against misuse and loss. This data shall be handed over to the purchaser completely and without delay if so demanded by the purchaser. By coordination with the supplier, the purchaser can also examine on site the measures to ensure adherence to the requirements of this agreement. If necessary, the supplier shall also provide required details in accordance with Article 4g Federal Data Protection Law. This obligation shall apply without restriction beyond the end of this contractual relationship.

17. Invoices and payment

- 17.1 Invoices shall be sent to purchaser indicating the date, order number, delivery note number, article, price and quantity. Invoices must also satisfy the provisions of the sales tax law. Invoices may not

- be enclosed with the delivered goods. Purchaser cannot be made liable for payment delays resulting from noncompliance with this provision.
- 17.2 Unless explicitly agreed otherwise, payment shall be effected within 60 days net. For payments that are made up to 30 days after delivery and issue of invoice at the latest, purchaser is entitled to deduct a discount of 3 %.
- 17.3 The payment period begins with receipt of the invoice and not upon receipt of the ordered goods.
- 18. Non-assignment clause**
- 18.1 Without the purchaser's prior approval – which may not be refused unduly - the supplier is not entitled to assign their claims on the purchaser or have them collected by third parties. Approval is deemed to have been given in the event of an agreement of extended reservation of ownership. The purchaser is entitled to refuse approval of assignment of the supplier's claims if the assignee has not confirmed explicitly in writing that all offsetting and retention rights that the purchaser has against the supplier can also be exerted against them – i.e. the assignee. Any assignment contrary to these terms and conditions of claims against the purchaser by the supplier to a third party without the purchaser's permission shall be invalid. The provisions of Article 354a German Commercial Code (HGB – Handelsgesetzbuch) shall remain unaffected by this.
- 18.2 Offsetting by the purchaser with other claims than accepted or legally enforceable claims is excluded.
- 19. Safety regulations**
- 19.1 All supplies and services must comply with the legal regulations, especially the safety and environmental protection provisions, including the handling of hazardous substances, the German Electrical and Electronic Equipment Act (ElektroG) and the safety recommendations of the responsible German professional bodies and groups or professional associations, such as the VDE, VDI, and DIN. The respective certifications, testing certificates and other records shall be added to the deliveries free of charge.
- 19.2 The supplier shall be obliged to determine the current state of the legal provisions and regulations applicable to his components in regard to substance restrictions and to comply with them. The supplier undertakes not to use forbidden substances. The supplier must indicate hazardous substances and those which are to be avoided in the specifications according to the valid laws and regulations. If applicable, safety data sheets have to be submitted along with the offers or the delivery note of the first delivery (at least in English or German). Purchaser must be immediately informed of any transgressions of substance restrictions and delivery of hazardous substances.
- 20. Quality and documentation**
- 20.1 The supplier shall observe the accepted standards of technology, safety regulations and agreed technical data in the European Union and its member states for their deliveries. Changes in the supplied object require the prior written agreement of the purchaser. The supplier is responsible for the punctual supply of the ordered products in accordance with the purchaser's order documents, namely in the precise quantity and quality as stipulated in the specifications, drawings, spare parts lists and possible separate agreements and/or by sample of the respective product.
- 20.2 The purchaser is to be notified of the origin of newly included supply items or a change of origin without delay or request in compliance with a long-term supplier declaration. The supplier is liable for all disadvantages suffered by the purchaser as a result of incorrect or belated submission of the supplier declaration. If necessary, the supplier shall provide proof of their details on the origin of the goods in the form of an information sheet confirmed by their respective customs office.
- 20.3 The supplier is obliged to introduce, document and maintain a quality management system. The purchaser has the right at all times to demand copies of the quality management documents from the supplier and check the conformity with the agreed quality assurance measures by means of audits and inspection. The supplier is obliged to bind sub-supplier accordingly within the realms of legal possibilities.
- 20.4 Prior to initial delivery, supplier is obliged to carry out initial prototype testing and then send initial samples together with the initial sample test report to the purchaser.
- 20.5 The supplier is obliged to check all material provided by the purchasers within the realm of what is acceptable to ensure its perfect condition. In the event of any faults, processing may only be undertaken with the purchaser's prior written permission. If additional quality assurance and/or environmental protection agreements or special agreements have been reached with regard to the respective supplied item, they shall be a constituent part of this agreement.
- 20.6 If the type and scope of the inspection, as well as the inspection equipment and methods, have not been agreed specifically between the supplier and the purchaser, the purchaser shall be prepared within the scope of own knowledge, experience and possibilities, to explain the inspections to the supplier upon demand by the latter in order to establish the required standard of inspection technology. In addition, the purchaser will inform the supplier upon request about

- respective safety regulations. In the case of the supplied items with special characteristics marked in the technical documentation or by separate agreement, the supplier also shall keep separate records of when, in what manner and by whom the supplied items have been checked with regard to these characteristics and what the results were of the necessary tests.
- 20.7 In the event of a fault, it must be possible to retrace this to such extent that a limitation is possible of the faulty supplied items. The required data for this is to be coordinated between the purchaser and the supplier.
- 20.8 The supplier is obliged to store the complete documentation about quality assurance carefully and completely and keep it available for inspection for a period of fifteen (15) years following the last delivery. The supplier is obliged to bind sub-supplier accordingly within the realms of legal possibilities.
- 20.9 The supplier's responsibility for fault-free and punctual delivery of contractual products or spare-parts is neither reduced nor excluded by any audit or inspection of the manufacturing process by the purchaser or the aircraft manufacturer, authorities or similar institutions. The purchaser's guarantee rights shall not be affected by this either. Any faults and other complaints found and documented in the course of an audit must be repaired/rectified prior to delivery of the contractual products. Changes or repairs to the contractual products must be approved beforehand by personnel authorized by the purchaser.
- 21. Non-competition clause**
The supplier may neither sell nor offer for sale direct or through third parties the parts/components that have been manufactured according to the purchaser's drawings and specifications as spare parts to end customers or trade organizations. Likewise, it is also forbidden to have production undertaken by third parties with the objective of selling the parts/components via them or on own account. The parts may only be marked with the supplier code issued by the purchaser and not with the name of the supplier. An exemption from this non-competition clause requires written permission from the purchaser.
- 22. Advertising and public announcements**
The supplier may not use the name of the purchaser or the name of the purchaser's products for advertising purposes, press notices and/or public announcements without prior written approval.
- 23. Termination**
The purchaser can terminate the contractual relationship (particularly in the case of outline agreements) at any time if there is a justifiable cause. Under these circumstances, the supplier shall be reimbursed for the costs incurred up until then for the production/procurement of the ordered products. No further rights on the part of the supplier are incurred as a result of the termination.
- 24. General provisions**
- 24.1 In the event of the supplier ceasing payment or if bankruptcy proceedings are started in respect of their assets or application is made for out of court settlement proceedings, the purchaser is entitled to withdraw from the contract for the incomplete section or to terminate the contract.
- 24.2 In the event of a provision of these terms and conditions or other agreements reached between the contractual parties being or becoming invalid, void or ineffective, it shall have no effect on the validity of the remaining agreement. The contractual partners shall replace the invalid, void or ineffective provision with another provision which shall be as close as possible to the originally intended purpose.
- 24.3 The place of fulfilment shall be the location of the respective works which is recipient of the delivery.
- 24.4 All legal relationships between the supplier and the purchaser shall be subject to German law under exclusion of the regulations of the United Nations Convention on Contracts for the International Sale of Goods. The purchaser, however, reserves the right to take action at the court having jurisdiction over the headquarters of the supplier.
- 24.5 The purchaser's domicile is agreed as venue for all disputes from this agreement.