

## Terms and Conditions of Purchase

To be applied to all contractual relations between entrepreneurs, juridical persons under public law and public-law special funds (hereinafter referred to as "Supplier") and AIRTECH Europe GmbH.

### 1. Authoritative terms and conditions

Our terms and conditions of purchase are authoritative for the contract with the supplier and shall become an integral part of the contract. Conflicting or deviating terms and conditions of the supplier shall not become an integral part of the contract and shall have no legal validity, even if we do not oppose them in individual cases. They shall apply only if we have declared our explicit consent to them. Our terms and conditions shall also apply to future contracts with the supplier until such time as these terms and conditions are replaced by new terms and conditions of AIRTECH Europe GmbH.

### 2. Orders

We place orders and delivery call-offs exclusively in written form (letter, e-mail, telefax, etc.). Each order must be confirmed immediately stating the prices and delivery dates. Order, material and drawing numbers must be quoted in all correspondence; we accept no responsibility for delays in processing caused by the supplier's failure to comply with this requirement.

### 3. Delivery date, late delivery and contractual penalty

The delivery date stated in the order is binding. If the supplier recognizes that he is unable to fulfill his contractual obligations or to do so on time, he must inform us immediately in writing, stating the reasons and the new delivery date; this shall not affect his obligation to adhere to the deadline. Liability of the seller in case of late delivery shall be in accordance with the statutory provisions. If delivery is not made on the agreed date or within the agreed period, the supplier shall be liable for the damage resulting from the delay. In the event of default on the part of the supplier, we are entitled to demand payment of a contractual penalty of 0.2% of the gross order amount of the overdue items for each full or part working day of the delay, at least however 50.00 € and at the most 5% of the gross order amount of the overdue items. Farther-reaching or other statutory claims shall remain unaffected; the contractual penalty must be credited against these.

### 4. Over-delivery

Over-deliveries require our prior, written consent. In the event of failure to comply with this requirement, we shall return any goods over-delivered freight collect.

### 5. Delivery location, passing of risk, packing and insurance

In the absence of any written agreement to the contrary, delivery shall be for the risk and account of the supplier to the place of destination indicated by us (DDP as per Incoterms 2010), including packing and insurance. The supplier undertakes to take out the necessary insurance in his own name. If delivery is to be made to our headquarters or to one of our branches, the supplier must deliver the goods to the "island" on the premises of the headquarters/branch as stated in the order.

### 6. Notification of defects

We are required to notify the supplier of defects to the delivery immediately if they are detected within the scope of proper business procedures. As such, the supplier hereby renounces the objection of late notification of defects.

### 7. Terms and conditions of payment

All invoices received between 1<sup>st</sup> and 15<sup>th</sup> of a month will be paid on the last day of the month with deduction of 3% cash discount or net on 15<sup>th</sup> of the following month. All invoices received between 16<sup>th</sup> and the end of a month will be paid on 15<sup>th</sup> of the following month with deduction of 3% cash discount or net on the last day of the following month. We are entitled to rights of offsetting and withholding in the statutory scope.

### 8. Liability for defects and statute barring of the defect claims

The supplier shall assume a warranty of at least three years on the goods. With goods which we sell on to third parties, the warranty period shall end at the earliest two months following the date on which we have fulfilled the claims of the third party, at the latest, however, five years following delivery of the goods to us. We are entitled to the full statutory warranty claims; we are initially entitled to demand removal of the defects or replacement delivery by the supplier at our discretion. Given the presence of defects which we can rectify ourselves through minor additional work (e.g. burr removing/cleaning/sorting), we shall be entitled to rectify the defect by way of substitute performance without prior consultation with the supplier. The supplier is obliged to compensate us for the expense incurred as a result. This expense shall be at least 3.00 €/piece. We reserve the right to demonstrate higher expense. The supplier shall not be required to reimburse any expense in excess of 10.00 €/piece for this minor additional work carried out by us.

### 9. Retention of title/provision of materials/tools/confidentiality

If we provide parts to the supplier, we shall retain title to these. Processing or conversion by the supplier will be carried out for us. If our conditional commodity is processed with other items not belonging to us, we shall acquire joint ownership of the new item in the ratio of the value of our item (purchasing price plus VAT) to the other items processed at the time of processing. If the item provided by us is mixed inseparably with other items not belonging to us as defined in Sections 947 and 948 BGB (German Civil Code), we shall acquire joint ownership of the new item in the ratio of the value of the conditional commodity (purchasing price plus VAT) to the other items mixed at the time of mixing. If the mixing is carried out such that the supplier's item is to be regarded as the main item, it shall apply as agreed that the supplier shall transfer pro-rata joint ownership to us. The supplier shall keep the items under our sole or joint ownership for us. He must mark the items, under our sole or joint ownership as per the above rulings, visibly and permanently with the inscription "AIRTECH Europe GmbH". In other respects, our General Terms and Conditions for Tools shall apply in

extension. We shall acquire sole ownership of tools, moulds, models etc. - produced by the supplier for us on the basis of our plans or standards - upon their completion and payment, at the latest, however, upon commencement of their use for the manufacture of the parts ordered by us. We shall retain title to tools provided. The supplier must mark the tools under our ownership visibly and permanently with the inscription "Eigentum GBB" (Property of GBB). The supplier is obliged to use the tools exclusively for the manufacture of the goods ordered by us. He is obliged to insure the tools belonging to us at replacement value against fire, water and theft and at his own expense. At the same time, the supplier hereby assigns to us henceforth all damage claims from this insurance. We hereby accept the assignment. The supplier is obliged to carry out any necessary servicing and inspection work on our tools as well as all maintenance and repair work in good time at his own expense. He must notify us immediately of any disturbances; in the event of him culpably failing to do so, claims for damages shall remain unaffected. The tools must be kept for us for at least 10 years. Even after 10 years, the tools must only be destroyed with our prior, written consent. In other respects, our General Terms and Conditions for Tools shall apply in extension.

Samples, models, drawings, moulds, illustrations, calculations and other documents or tools related to the goods which are under our ownership and are located on the supplier's premises, must be returned to us immediately at any time upon request. The supplier shall be liable for any loss of these.

The supplier is obliged to treat all illustrations, drawings, calculations, and other documents and information received as strictly confidential. They must only be disclosed to third parties with our explicit consent. The obligation to maintain secrecy shall also apply following winding up of the present contract; it shall expire if and in so far as the manufacturing knowledge contained in the illustrations, drawings, calculations and other documents handed over has become general knowledge. In other respects, our General Terms and Conditions for Tools shall apply in extension.

If the security interests, too which we are entitled on the basis of our retention of title to the parts provided by us, exceed the purchasing price of all our conditional commodities, not yet paid, by more than 10%, we shall be obliged, upon request by the supplier, to release the security interests at our discretion.

### 10. Future deliveries of replacement parts

If the supplier makes repeated or ongoing deliveries to us, he undertakes to ensure our supply with replacement parts for a further ten years after ending of production of an item supplied to us, or to inform us sufficiently early of the discontinuation of production that we have the opportunity of effecting a switchover or of placing a covering order.

### 11. Contractual right of withdrawal

In the event of a significant deterioration in the economic position of the supplier subsequent to conclusion of the contract or if, following conclusion of the contract, we learn that the supplier is insolvent, over-indebted or that there is a threat of insolvency, if the supplier files an application for the opening of insolvency proceedings or if insolvency proceedings are opened against the supplier's assets, we shall be entitled to withdraw from the contract. The supplier is obliged to inform us immediately of any significant deterioration in his economic position. In particular, he is obliged to inform us of insolvency, imminent insolvency or over-indebtedness immediately and before filing the application for insolvency. If such notification is not possible prior to filing of the application for insolvency, he must inform us of this immediately following filing of the application for insolvency.

### 12. Applicable law, place of performance and place of jurisdiction

In the absence of any agreement to the contrary, exclusively the law of the Federal Republic of Germany shall apply. Application of the United Nations Convention on Contracts for the International Sale of Goods is excluded. Place of performance and place of jurisdiction is the registered office of AIRTECH Europe GmbH. We are also entitled to initiate judicial proceedings at the supplier's general place of jurisdiction.

### 13. Severability

Should provisions of these terms and conditions and/or of the agreements made be or become invalid, the validity of the other provisions shall remain unaffected. The contracting parties are obliged to replace the invalid ruling with a legally admissible ruling that corresponds as closely as possible to the economic result of the invalid ruling.