

Conditions of Purchase of SAERTEX GmbH & Co. KG, SAERTEX multiCom GmbH and SAERTEX Stade GmbH & Co. KG

1. General / Scope

1.1 The Conditions of Purchase of the companies SAERTEX GmbH & Co. KG and SAERTEX multiCom GmbH, both with registered offices in Brochterbecker Damm 52, 48369 Saerbeck, as well as the company SAERTEX Stade GmbH & Co. KG, with registered offices in Sophie-Scholl-Weg 24, 21684 Stade, hereinafter referred to as "SAERTEX", shall apply exclusively; any conditions of the Supplier that are contrary to or deviate from SAERTEX's Conditions of Purchase shall not be recognised unless SAERTEX has expressly agreed the application of the aforesaid in writing. SAERTEX's Conditions of Purchase shall also apply if SAERTEX unreservedly accepts delivery from the Supplier in the knowledge of contrary conditions of the supplier or conditions deviating from our Conditions of Purchase.

1.2 All agreements that are made between SAERTEX and the Supplier for the purposes of executing a contract are to be set out in the contract.

1.3 These Conditions of Purchasing apply exclusively to companies, legal entities under public law or federal special funds as defined in Section 310 of the German Civil Code (*Bürgerliches Gesetzbuch*)

1.4 SAERTEX's Conditions of Purchase shall extend to any and all future contracts with the Supplier.

2. Offer / Offer documents

2.1 The Supplier is obliged to accept the order from SAERTEX within a period of 1 week.

2.2 SAERTEX reserves all proprietary rights and copyrights in illustrations, drawings, calculations, data, provided data storage media, specifications, requirement specifications and other documents (hereinafter referred to in short as "information") which may not be disclosed to third parties without express written consent from SAERTEX. The information is exclusively to be used for the purposes of production and/or processing the order from SAERTEX. Said information shall be automatically returned to SAERTEX after completion of the order. It shall remain confidential and shall not be divulged to third parties.

2.3 Offers are simple, non-binding for SAERTEX and are to be submitted free of charge. In their offer, the Supplier is obliged to adhere to the enquiry or tender with regard to shortcomings, composition and performance, and in the case of a deviation to expressly draw attention to this. The Supplier shall be bound to their offer for 3 months.

3. Prices / Conditions of payment

3.1 The price stated in SAERTEX's order is binding for the Supplier. In the absence of any written agreement to the contrary, the price includes delivery franco domicile, including packaging. The return of the packaging shall require special agreement.

3.2 The amount of value added tax is to be shown separately on all invoices.

3.3 Invoices shall only be processed by SAERTEX if they state the order details shown in accordance with SAERTEX's order; the Supplier shall be responsible for all consequences arising as a result of the failure to adhere to this obligation.

3.4.1 Unless otherwise agreed in writing, SAERTEX shall pay the remuneration claimed by the Supplier within 2 weeks, calculated from delivery and receipt of invoice, minus a 3 % discount or net within 60 days after receipt of invoice.

3.4.2 For remuneration claims in connection with services, SAERTEX shall effect payment within 30 days after receipt of invoice.

3.5 SAERTEX shall be entitled to set off or retain any amounts in accordance with the statutory legal provisions.

3.6 All documents required for official acceptance, operation, maintenance and repairs (such as test records, factory certification, drawings, plans and operating instructions) are to be supplied free of charge with the goods by the Supplier, if necessary in a format that can be duplicated.

3.7 If advance payments have been agreed, the Supplier shall provide an absolute guarantee as security from a large German bank or credit institution under public law.

4. Delivery and performance time

4.1 The delivery time and/or period stated in the order is binding. Upon expiry of the delivery time, the Supplier shall be deemed in default without any reminder being necessary.

4.2 The Supplier shall be obliged to notify SAERTEX immediately in writing if circumstances occur or become apparent as a result of which the agreed delivery or performance time cannot be met. Notification of this eventuality is to be communicated to SAERTEX as quickly as possible and in advance by email or fax.

4.3 In the event of default, SAERTEX shall be entitled to the remedies available under statutory law. SAERTEX is in particular entitled to demand compensation for damages after a reasonable extension of time has elapsed.

5. Passage of risk / Documents / Data protection / Audit rights

5.1 In the absence of any written agreement to the contrary, the delivery is to be carried out franco domicile.

5.2 The Supplier is obliged to exactly state SAERTEX's order details on all dispatch papers or delivery notes; should the Supplier fail to do so, delays in processing are unavoidable; SAERTEX shall not be held responsible in such cases.

5.3 The Supplier shall enable SAERTEX to view the progress of the contractual performances, e.g. works that are to be performed. SAERTEX is entitled to inform themselves about the progress of the contractual performance by viewing all relevant documents (reports, descriptions, listings, manuals etc.). The documents required for this purpose are to be made available and explained to SAERTEX upon request.

5.4 If the Supplier is granted access by SAERTEX to networks and/or data processing systems of SAERTEX or their customers, this access may only be used for the purposes of fulfilling the respective individual order. In particular in such cases, the Supplier undertakes the obligation to observe the confidentiality provisions as defined in the above Clause 2 and to subject their staff to these confidentiality provisions as well as any other third parties involved in the performance of the order. With regard to information made available to the Supplier by SAERTEX, the Supplier is not authorised to copy, alter, reproduce and / or give this information to third parties without the prior written agreement of SAERTEX, this unless absolutely necessary by the Supplier for the fulfilment of the order. SAERTEX shall only be liable to the mandatory statutory extent for the functioning of access or for operational disruptions regarding the abovementioned networks and data processing systems as well as for any damages resulting from their use.

5.5 The Supplier undertakes the obligation to observe the relevant statutory data protection provisions. At the first request, the Supplier shall indemnify SAERTEX against all third party claims that are based on an infringement of the prescribed obligation of the Supplier.

5.6 Delivery notes are to be enclosed with the delivery. In the case of deliveries originating from regions outside of SAERTEX's customs area, the Supplier is to contact SAERTEX in good time regarding customs and import procedures.

5.7 SAERTEX and their specially appointed representatives are entitled to inform themselves through the Supplier during working hours about the contractually compliant performance of the delivery and / or service, to participate in internal factory tests and perform tests. The costs for the tests carried out by SAERTEX shall be borne by SAERTEX unless otherwise agreed or unless detected shortcomings justify the necessity of the tests. Repeat tests conducted by SAERTEX due to shortcomings detected in previous tests shall be borne by the Supplier to the full extent.

When issuing sub-contracts, the Supplier undertakes the obligation to ensure that the instruction and performance of tests are contractually granted with the sub-contractor. Any tests that may be performed do not exempt the Supplier from their guarantee or liability.

6. Defects in quality and defects in title / Warranty

6.1 SAERTEX is obliged to check the goods for any quality or quantity deviations within a reasonable period of time. The notification of complaint shall be deemed as timely as long as it is received by the Supplier within a period of 10 working days from the receipt of the goods by SAERTEX. Should a quality assurance agreement exist, the separate incoming goods inspections therein shall apply where necessary with regard to the examination and complaint duties to be fulfilled by SAERTEX.

6.2 SAERTEX is entitled to statutory warranty rights without restrictions.

6.3.1.1 In accordance with Section 433 Para. 1, S. 2 and 434 of the German Civil Code (*Bürgerliches Gesetzbuch*) (purchase) or Section 633 Paras. 1, 2 and 3 of the German Civil Code (contract for the supply of works), the Supplier is in particular responsible for ensuring that the delivered goods or the due works meet the statutory and agreed quality and packaging

conditions, the description of performance, or in the absence of such at least the usual trade quality conditions, as well as the current standard of technical development and that they are free from defects in quality and defects in title or errors in the sense of the law, in particular the Product Liability Act (*Produkthaftungsgesetz*). The Supplier guarantees that through the sale of supplied goods and/or through the use of the contractual service no infringements will be made of applicable regulations, including the packaging and labelling regulations, and third party rights shall not be injured. The Supplier also guarantees that the goods and/or work performance shall satisfy the requirements under public law and / or competition law. The Supplier guarantees that existing and / or attached labelling regarding properties/composition, shelf life, names, descriptions, accompanying papers and/or advertising statements as well as instructions for use and assembly instructions are correct in terms of content, legally flawless, complete, understandable and written in the German language.

6.3.1.2 If a goods delivery relates to products that are to be directly or indirectly used in aviation, the Supplier guarantees the suitability of their goods delivery for aviation in the form of a guarantee of quality. If a quality agreement exists between the parties, the performance values and specifications therein agreed are to be deemed as guarantees of quality.

6.3.2 The provisions of the above Clauses 6.2 and 6.3.1 shall apply accordingly for services performed by the Supplier, in particular consulting services.

6.3.3 With regard to any industrial property rights, the following Clause 8 shall additionally apply.

6.4 Should the Supplier be in breach of a duty, the Supplier shall be liable towards SAERTEX on grounds of fault of any nature. The Supplier has been informed that they have the right to prove that they are not responsible for a breach of duty.

6.5 SAERTEX is only obliged to clarify claims in court asserted by customers or legal infringements if the Supplier undertakes to reimburse the expected resulting costs.

6.6 If the contractual performance (delivered goods, performed works, service) provided by the Supplier does not meet with the above requirements, SAERTEX is in particular entitled to subsequent performance at their discretion through elimination of the defect or delivery of a defect-free item (purchase) or elimination of a shortcoming or recreation of the works (contract for the supply of work). The expenditure required for the purposes of subsequent performance shall be borne by the Supplier to the full extent.

6.7 In cases of imminent danger or particular urgency, SAERTEX shall be entitled to carry out the subsequent performance themselves at the expense of the Supplier.

6.8 In the event of the failure of the subsequent performance, SAERTEX shall be entitled to the material defect remedies available under statutory law; this applies in particular for compensation on the grounds of non-fulfilment.

6.9 The warranty period is 36 months, calculated from the passage of risk, this unless a longer warranty period results from a contract or law.

7. Product liability / Indemnity / third party insurance

7.1 If the Supplier is responsible for a product defect, the Supplier shall, at first request, indemnify SAERTEX and hold SAERTEX harmless against any claims for damages asserted by third parties, provided that the cause can be attributed to the Supplier and the Supplier's organisation and provided that the Supplier is also liable towards the third parties.

7.2 The above Clause 7.1 shall apply accordingly if SAERTEX is entitled to claims against the Supplier in accordance with Sections 478, 479 of the German Civil Code. In this context, as a precaution the Supplier shall transfer any rights of recourse that the Supplier is entitled to with regard to their sub-contractors under Sections 478 and 479 of the German Civil Code to SAERTEX in advance to safeguard the existing rights of recourse in favour of SAERTEX. SAERTEX accepts such assignment.

7.3 The Supplier is also obliged to compensate SAERTEX for any expenditure that arise from or in connection with any product recall SAERTEX may carry out. SAERTEX will communicate with and inform the Supplier about the contents and scope of any recall campaign to the extent reasonably possible and provide the Supplier with an opportunity to comment.

7.4.1 The Supplier undertakes the obligation to take out and maintain a product liability insurance policy providing cover for an amount of not less than 1 million euros – lump sum – per case of bodily injury/damage to property. If SAERTEX is entitled to further compensation for damages, these shall remain unaffected. Insurance coverage is to be proven at the request of SAERTEX.

7.4.2 In the case of products that are intended for aircraft, the Supplier is to demonstrate appropriate insurance coverage at the request of SAERTEX with a minimum coverage amount of 25 million euros per instance of bodily injury/material damage.

8. Industrial Property Rights

8.1 The Supplier shall assume responsibility for ensuring that no third party rights are infringed, in particular patent and copyrights, in Germany, Europe, the United States of America, Australia or New Zealand in connection with their delivery and services. The Supplier shall guarantee that works they have carried out are free from third party rights and shall indemnify SAERTEX against all third party claims. If third party industrial property rights are infringed through the Supplier's products and SAERTEX is prohibited from using the products and / or patent as a result, either wholly or in part, the Supplier shall, at their discretion, either provide SAERTEX with the right to use and/or exploit the product or formulate the product so that it is free of such industrial property rights. Any further remedies available to SAERTEX shall remain unaffected.

8.2 Should claims be brought by a third party against SAERTEX on the grounds of an infringement of industrial property rights, the Supplier is obliged to indemnify SAERTEX against these claims at the first written request.

The Supplier's obligation to hold us harmless relates to all expenses incurred by SAERTEX from or in connection with claims asserted by a third party.

8.3 The abovementioned provisions in Clauses 8.1 and 8.2 shall apply accordingly in the case of contracts for services.

9. Reservation of ownership / Placing at disposal / Confidentiality

9.1 SAERTEX reserves the right of ownership to any items made available to the Supplier. Any processing or transformation thereof by the Supplier shall always be conducted for the benefit SAERTEX.

9.2 If the item provided by SAERTEX is combined inseparably with other items not owned by SAERTEX, SAERTEX shall acquire co-ownership in the resulting new item in proportion to the value of the reserved item and the value of other such combined items at the time of combining. If, due to such combination, the Supplier's item becomes the main item, the Supplier shall assign SAERTEX co-ownership on a prorated basis; the Supplier shall hold any items owned or co-owned by SAERTEX in safe custody.

9.3 The Supplier shall immediately report any damages or incompleteness of the retained goods to SAERTEX. The Supplier is liable towards SAERTEX for material loss and/or damages as prescribed by law.

9.4 The Supplier is under the obligation to maintain strict confidentiality with regard to all information (as defined in the above Clause 2.2) received through processing the order. This information may only be disclosed to third parties following express written agreement from SAERTEX. The obligation to maintain confidentiality shall remain in effect after completion of this Contract; the obligation shall expire if and when the manufacturing/business know-how contained in the provided information has come into the public domain.

10. Advertising use

The Supplier may only refer to business connections with SAERTEX with the express agreement of SAERTEX.

11. Jurisdiction / Place of Performance

11.1 If the Supplier is a merchant, a legal entity under public law or a federal special fund, the place of jurisdiction shall be the domicile of SAERTEX; SAERTEX is also entitled, however, to take legal action against the Supplier at their court of domicile.

11.2 The place of performance shall be the domicile of SAERTEX unless otherwise stated in the confirmation of order.

12. Choice of Law

German law shall apply to the exclusion of the United Nations Convention on Contracts (CISG) and always in accordance with the content of these Conditions of Purchase.

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