

## HEGGEMANN AG General Terms of Purchase

### I. Important Terms

- 1)The legal relationship between the Supplier and the Orderer complies solely with these terms, the general terms of business and purchase and any other individually arranged agreements. Changes and addenda are to be made in writing. Other General Terms of Business do not apply, even if these are not explicitly vetoed.
- 2)In terms of quality, technology and price, the delivered items are constantly to be kept up-to-date in regard to competition and current technology. The Contractual Partner will inform HEGGEMANN of the relevant situation without being asked. Should any deviations occur, both sides are to negotiate with a view to adapting to the current competitive situation.

### II. Orders, Delivery Plans and Order Releases

- 1)Orders, Delivery Plans (general agreement) and Order releases (binding orders) and any amendments or addenda belonging to them, including the acceptance by the Supplier, must be made in writing.
- 2)Orders, Delivery Plans and Order Releases are to be confirmed in writing within 1 week of receipt by the Supplier. Order Releases made on the grounds of current general agreements become binding, at the latest, if the supplier does not contend the release in writing within a week of receipt, as far as nothing to the contrary has been agreed upon in the general agreement.
- 3)The Orderer may demand changes to be made in construction and version of the delivered item within reason for the Supplier. The effects of the adaptations, especially with regard to an increase or reduction of price and delivery appointment, are to be mutually agreed upon.

### III. Payment

- 1)Payment is to be made by the 25<sup>th</sup> of the month following delivery, as long as the Orderer has received an auditable invoice by the end of the month and nothing to the contrary has been agreed upon. The due date is based on the delivery appointment agreed upon in the case of the acceptance of premature delivery.
- 2)In the case of defective delivery, the Orderer is entitled to withhold part of the payment until the defect has been remedied. He is also entitled to offset demands from the Supplier against debit advise or credit notes.
- 3)The invoice needs to be sent as a PDF File to [buchhaltung@heggemann.com](mailto:buchhaltung@heggemann.com) and has to contain the order number, delivery plan number, order date and our unit number. Additionally invoices will only be accepted, in English or German language.

### IV. Defect Complaints

- 1)The Supplier is to be made aware in writing by the Orderer of any obvious defects in the delivery, as far as they have been ascertained during proper business practice. The Supplier relinquishes the right to object to delayed defect notifications. Should quality assurance agreements have been reached, their content supersedes the regulations of these terms.

### V. Confidentiality

- 1)The Contractual Partners are obliged to keep all commercial and technical particulars which become known during the contractual relationship confidential.
- 2)Pictures, models, templates, patterns, production materials, tools and similar items remain the property of the Orderer and are to be treated as such, insured to a reasonable amount and kept from third-party access. They may not be given to unauthorised third parties, nor may third parties gain access without the Orderer's prior consent. Making copies of these items is only allowed within the boundaries of commercial requirements, the copyright regulations and any other laws which serve the protection of commercial property rights.
- 3)Subcontractors and employees are to be obliged accordingly.
- 4)The Contractual Partners may only use their contractual relationship for advertisement with the prior written consent of the other party.
- 5)Models, appliances, moulds and tools are to be insured against accidental ruin; they are to be maintained in a proper fashion and to be stored with appropriate care. The Supplier/Manufacturer carries the costs of this.

### VI. Delivery Appointments and Delivery Periods/Delivery Clauses

- 1)Agreed appointments and periods of time are binding. The delivery of the goods at the Orderer's premises is authoritative for adherence to the delivery appointment or period of delivery. The Supplier is to provide the goods punctually for loading and delivery considering the usual time limits. The deliveries are to be conducted according to the Orderer's instructions. The INCOTERMS apply to all trade terms. If nothing else has been agreed upon, the company DDP will conduct the delivery (Incoterms 2010).
- 2)Deliveries according to a set delivery plan from the Orderer are to be carried out in accordance with this delivery plan. Should additional delivery schedules be provided, the delivery schedule is to have priority when releasing the order.

- 3)Deliveries before the arranged delivery appointment should be avoided. Should the Supplier deliver despite the arranged delivery appointment, the Orderer has the right to decline the products, or to accept the products on the proviso that the Supplier carries the costs of storage.

- 4)Should circumstances become apparent that hinder the Supplier in delivering the goods punctually, the Supplier is to inform the Orderer immediately in writing.

### VII. Delay in Delivery

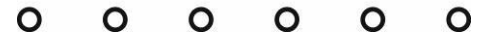
- 1)Should the delivery appointment and period lapse, the Supplier falls into arrears without there any other deadline set. The Orderer can, however, only rescind the contract due to arrears, or demand compensation in lieu of performance, upon the unsuccessful lapse of a reasonable period of time to perform. The Supplier is obliged to compensate the Orderer any damages created by the delayed delivery, without an additional period being required and within the requirements of law.
- 2)In cases of slight negligence, compensation is limited to the further freight costs, retrofit costs or should the delivery be no longer required, the extra expenses for covering purchases.
- 3)Should the Orderer have agreed penalties for any delay in the order, then we may demand these even if we did not assert them initially when the contractual goods and/or services were rendered/accepted late.

### VIII. Force Majeure

- 1)Force Majeure, especially industrial disputes, riots, administrative measures and other, unforeseeable, unavoidable events which lie out of the control of the relevant Contractual Partner, release the Contractual Partner in question for the duration of the disturbance and the scope of its effects from his duties. The Contractual Partner affected by the interruption will inform the other Contractual Partner about the duration of the interruption and any solutions which could be taken into account. If any such event lasts longer than thirty days or if it is predictable when it occurs that it will very probably do so, then the other Contractual Partner is entitled to rescind the contract. This also applies if after any such event has occurred it becomes obvious it will last longer than originally thought.
- 2)The contracting parties are obliged in the event of force majeure to inform one another without delay of this within reason and to adapt their obligations to the changed circumstances to the best of their knowledge and belief.

### IX. Compensation due to Defects

- 1)Should defect goods have been delivered, the Orderer can demand the following, upon presence of the relevant legal and following pre-requisites and as long as nothing to the contrary has been agreed upon:
  - a)Prior to the commencement of production (manufacture and installation), the Orderer is to give the Supplier the opportunity to sort the goods and to remedy defects or provide supplementary delivery, unless this is unreasonable for the Orderer. Should the Supplier be unable to carry out the investigations, or comply immediately, the Orderer is entitled to rescind the contract without setting a further deadline and to return the goods at the Supplier's risk. In emergencies and in order to maintain the Supplier's production, the Orderer may, according to prior agreement, obtain requisite replacement, remedy the defect himself, or commission a third party with the remedy of the defect. The Supplier is to carry any costs this may cause. Should the goods continually be delivered defective, the Orderer is entitled to rescind the contract after written complaint and repeated defective delivery, also in the case of a reduced delivery amount, without this resulting in any rights for the deliverer, for whatever legal reason.
  - b)Should the defect, despite adherence to the duty stated in section IV of these terms and conditions, become apparent after production has commenced, the Orderer may at his discretion
    - demand supplementary performance and reimbursement for the transport costs required for supplementary performance in accordance with § 439 sec 1, 2 and 4 BGB (German Civil Code), alongside deinstallation and installation costs (labour costs and material costs), or
    - reduce the purchase price, or
    - rescind the contract, or
    - should legal pre-requisites be present, demand compensation or reimbursement.
  - c)In the case of a violation of duties (e.g. a violation of the duty to train, compensate, consult or investigate) which goes above and beyond the delivery of defective goods, the Orderer can demand compensation for the resulting damage due to the defects and for the compensation the Orderer is to legally pay to his customers as a result of the damage due to the defects. Subsequent damages caused by defects are the defects caused to other legal goods of the Orderer than to the contractual goods themselves by the delivery of defective goods.



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- 2) The Orderer is to provide the Supplier with the parts which he is to replace, upon his request and at his costs immediately, unless the relevant parts are already unavailable, already installed or the issuance of such is impossible for the Orderer for any other reason.
  - 3) Defects claims do not exist if the defect can be traced back to the violation of use, maintenance and installation, unsuitable or improper use, natural wear and tear and any interventions carried out by the Orderer or a third party onto the delivered object.
  - 4) The Supplier guarantees that the goods and performances to be delivered correspond to the patterns given by the Orderer, to the order agreement (norms, draft conformity and, if required, written agreements), all safety regulations and the specification stated in the order. The Supplier guarantees that the delivered goods and performance comply with the intended use, the current standards of technology, the current general, recognised technical and industrial medical safety requirements made by administrative authorities and professional associations, and all relevant legal stipulations. Should the delivery contain machines, tools or equipment, the Supplier guarantees that these comply with the requirements of the relevant safety regulations current and valid at the time of contractual performance, especially those applicable to machines, tools and equipment, including the safety in the workplace and accident avoidance regulations; he is also to guarantee that the delivery and performance possess a CE label. Reference in the order made to norms constitutes, fundamentally, an agreement regarding the properties of the goods, which obliges the norms to be adhered to. Any trials, patterns and other documentation given by the Supplier also constitute an agreement on the property of the goods.
  - 5) The Orderer is obliged to examine the goods within a reasonable period of time for any quality and quantity deviations; complaints made are seen as punctual if the complaint arrives at the Supplier within a period of 2 weeks, calculated as of receipt of goods or in the case of hidden defects, or defects which only become apparent after close inspection, as of discovery. The duty to examine and lodge complaints in the above named scope is excluded in accordance with §§ 377, 378 HGB (German Commercial Code).
  - 6) The Orderer's statutory rights for defects remain unaffected in their entirety; in the case of purchase agreements, the Orderer is entitled in every case, at his discretion, to demand the remedy of the defect, or the delivery of a new item. The Supplier is to reimburse the Orderer for the supplementary performance, especially the costs of transport, travel, labour and material. This also applies if the costs rise, because the purchased item or delivered good is to go to a customer of the Orderer after being delivered. Should the delivered item have been installed into a product of the Orderer, the Supplier, as part of the defect remedy or subsequent delivery, is to reimburse the Orderer for the costs of de-installing the defective item and re-installing the replacement parts, including all costs of transport and labour. The Supplier is also to refund any subsequent damages caused by defects and economic defects, especially loss of production. All supplementary costs caused by the remedy of a defect, e.g. de-/installation costs, costs of material, transport, freight, manual labour and especially the costs caused by the determination of the damage and/or defect, e.g. costs of specialist expert, are seen as reimbursable costs. The return of defective goods is at the cost and risk of the Supplier. Should the Orderer assume the disposal of the packaging, at the Supplier's request, or should the Orderer make other arrangements for the return of packaging, any liability is excluded, so long as the Orderer cannot be accused of intent or gross negligence.
  - 7) The limitation period is 36 months, calculated from the transfer of risk, as long as the mandatory regulations of the §§ 478, 479 BGB (German Civil Code), or law do not provide a longer period of limitation. The warranty period begins again upon the delivery of improved or replacement goods. A written notification of defects by the Orderer interrupts the limitation period for 8 weeks, commencing with the receipt of the notification, as long as law does not provide for further interruptions to the limitation period.
  - 8) Should the Orderer have provided plans, pictures, materials and/or fixtures for the Supplier, the Supplier is obliged to examine them in terms of completeness, correctness and suitability for the intended use and to inform the Orderer, immediately, of anything which is incorrect or incomplete in the documents he has received. Should the Supplier not object, he is in so far obliged to provide unlimited warranty. The Supplier alone is obliged to conduct the necessary intermediary and end inspections and an effective inspection of the goods delivered to him, as long as the delivered object, or parts were received by his own supplier.
  - 9) The Supplier is obliged to inform HEGGEMANN AG immediately upon receipt of the goods of any defects or flaws. Any processing is prohibited by HEGGEMANN AG until a decision has been made regarding its ultimate use. Should an item be processed without a decision being made as to its ultimate use, HEGGEMANN AG reserves the right to invoice the Supplier for the manufacturer's costs caused.
- insofar as he would himself be held liable viz-à-viz the third party in question. The compensation between the Orderer and the Supplier is regulated by the basic principles of the § 254 BGB (German Civil Code) also in the case of strict liability. This also applies to cases in which the Supplier directly is held liable.
- 3) Should the Supplier be responsible for a product defect, he is obliged to release the Orderer from any compensation claims made by third parties upon initial request, if the cause can be found within his managerial and organisational area. The Supplier assumes liability for any measures taken by the Orderer to avoid damages (e.g. re-call actions), insofar as such measures are taken on the grounds of a situation, defect, error etc., for which the Supplier is responsible; the measures seemed reasonable and necessary; or measures to which the Orderer was obliged by administrative or legal decree. The liability includes the reimbursement of all expenses, in accordance with §§ 683, 670 BGB and/or §§ 830, 840, 426 BGB (German Civil Code), which result from any information and/or re-call action given by the Orderer. Further legal claims remain unaffected.
  - 4) The Orderer will inform and consult the Supplier immediately and comprehensively, should he hold him liable according to the aforementioned regulations. He is to give the Supplier sufficient opportunity to investigate the damages. Both parties will negotiate regarding the measures to be taken, especially settlement negotiations.
  - 5) In case of customs claims caused by incorrect statements in Supplier's correspondence, dispatch notes, invoices etc. – even if delayed – we reserve the right to lodge a recourse claim.
- ### XI. Use of Production Materials and Purchaser's Confidential Information
- 1) Models, negatives, templates, patterns, tools and other production materials, including confidential details, provided to the Supplier by the Orderer, or paid for by the same, are only to be used for deliveries to third parties with prior written consent of the Orderer. Tools paid for by the Orderer may also only be scrapped or stored with prior written consent of the Orderer.
- ### XII. Prohibition of Competition
- 1) The Supplier may neither offer nor sell to end customers or trading organisations, neither directly nor via third party, the parts/components produced for the Orderer's pictures and specifications as replacement parts. The production by a third party with the intention of selling the parts/components with said third party, or on his own, is also forbidden. Parts may only be labelled with the supplier code provided by the Orderer and not with the Supplier's name. Release from this prohibition is only possible upon written consent from the Orderer.
- ### XIII. General Stipulations
- 1) Should any stipulation or regulation, and the corresponding agreement, be or become ineffective, the validity of the remaining contract remains unaffected. The Contractual Partners are obliged to replace the ineffective regulation with a regulation which nearest meets the economic intention of the ineffective regulation.
  - 2) For all ordering positions, the quality requirements ISO9001 or EN 9100 or DIN EN 15085 are to be adhered to.
  - 3) The Supplier is obliged, if need be, to allow HEGGEMANN, their customers and the responsible aeronautical authority access to his offices.
  - 4) Our unit number, delivery plan number or order number and employee number stated in this delivery plan or order are to be stated in written correspondence. Erroneous or incomplete delivery papers/notifications can lead to the rejection of the entire delivery.
  - 5) The prices stated apply to the entire series. They can, however, be negotiated by our end customer to our advantage.
  - 6) Our General Terms and Conditions of Purchase form the sole basis for our orders, delivery releases and delivery plans.
  - 7) This contract is subject to the material laws of the Federal Republic of Germany, excluding the reference rules of international private law. The use of the United Nations' Convention on Contracts for the Sale of International goods from 11/04/1980 is excluded.
  - 8) The place of performance is the Orderer's headquarters.
  - 9) Paderborn, Germany is the place of jurisdiction.

### X. Liability

- 1) As long as nothing to the contrary has been agreed upon at another point in these terms and conditions regarding liability, the Supplier is, according to the legal stipulations, obliged to compensate any damages caused to the Orderer as a direct or indirect consequence of the delivery of faulty goods, the violation of safety regulations, or any other legal reasons for which the Supplier is responsible.
- 2) Should the Orderer be held liable by a third party on the grounds of a non-modifiable legal norm due to strict liability, the Supplier is to be held liable in the Orderer's stead,