

TERMS & CONDITIONS

Telair International GmbH

1. General – Scope

- 1.1. These General Terms and Conditions apply exclusively to the legal relationships between Telair International GmbH (hereinafter: Telair) and the Buyer. Telair shall not recognize any of the Buyer's conditions that may conflict with or deviate from these General Terms and Conditions. Such conditions shall apply only if Telair has expressly agreed in writing to the third-party terms and conditions. These General Terms and Conditions also apply in cases in which Telair makes the delivery without condition to the Buyer in the knowledge that the Buyer applies conflicting or deviating conditions.
- 1.2. Any arrangements or collateral agreements that deviate from these conditions shall be valid only if they have been confirmed in writing by Telair.
- 1.3. Telair reserves the right, up to the point of delivery, to effect improvements in terms of design, form or in the technology used, in order to adapt to state-of-the-art technology, provided it can be demonstrated that such changes are reasonable for the customer.

2. Quotation – quotation documents

- 2.1. Telair quotations are non-binding, unless otherwise agreed in writing.
- 2.2. Should an order be deemed an offer within the meaning of Art. 145 of the German Civil Code (BGB), Telair shall have the right to accept such an offer within a period of three weeks.
- 2.3. Telair reserves all copyright and property rights to drawings, calculations and other documents. This also applies to written documents that have been designated "confidential". Before passing on such documents to third parties, the Buyer requires the express written consent of Telair.
- 2.4. A supply contract shall be concluded only when Telair has confirmed the order in writing, at the latest upon delivery. Notification by long-distance data transmission shall satisfy the written form requirement. If, by submitting a transmission report, Telair can demonstrate that a declaration was sent by fax or long-distance data transmission, it shall be assumed that the declaration was received by the Buyer.

3. Prices – payment conditions

- 3.1. Only prices confirmed by Telair in writing are valid. Such prices are ex works, plus the legally applicable rate of value-added tax, postage, packaging, freight, insurance, etc.
- 3.2. The prices offered by Telair remain legally binding in principle. However, Telair reserves the right to alter prices to a reasonable extent should this prove necessary as a result of cost increases after the conclusion of the contract, in particular increases in labor costs or material prices. Evidence of the basis for the changes in price shall be provided to the Buyer on request.
- 3.3. The credit period for the charges invoiced by Telair is 30 days net. If there is a delay in payment on the part of the Buyer, Telair shall be entitled to charge interest at the rate of 8% above the base rate for the period of the delay. This shall not restrict its right to assert further claims for compensation. However, the Buyer is free to prove that no loss, or a much smaller loss, resulted from the delay.
- 3.4. A separate agreement is required for any means of payment other than a bank transfer or presentation of a cheque. Receipt by Telair shall be authoritative for determining if the payment is punctual.

- 3.5. The Buyer shall have the right to offset payment only if its counterclaims have been legally established, are not disputed, or have been recognized by Telair. The Buyer shall be entitled to exercise a right of retention only in cases where its counterclaim is based on the same contractual relationship.
- 3.6. Should Telair become aware of circumstances after the contract is concluded that raise doubts about the creditworthiness of the Buyer, or if a substantial risk to Telair's payment claim should arise due to a deterioration in the Buyer's assets, Telair may request security within a reasonable period of time and refuse performance until the requested security has been provided. If the customer refuses to comply, or if the deadline expires without result, Telair shall be entitled to withdraw from the contract in full or in part, and to demand compensation in lieu of performance.

4. Deliveries, delivery period, delay in delivery

- 4.1. The start dates for the delivery and performance periods and deadlines are specified by Telair under the assumption that all technical issues have been clarified and that the Buyer's obligations will be duly met on schedule. If this is not the case, the period shall be extended accordingly. The right to plead the defence of non-performance remains reserved.
- 4.2. In the event of unforeseeable circumstances or force majeure, including, but not limited to, natural phenomena, war, breakdowns, official intervention, strike, and industrial dispute measures, as well as other delays that are not Telair's responsibility, the delivery period shall be extended for the duration of the hindrance. This applies irrespective of whether the event has occurred at Telair or at a subcontractor.
- 4.3. Telair is entitled to make partial deliveries, provided this is reasonable for the customer.
- 4.4. Should the Buyer be in default of acceptance or culpably violate other duties of cooperation, Telair shall be entitled to give preference to other third-party orders and to extend the delivery period accordingly. Without prejudice to further claims, Telair is entitled to demand compensation for any loss incurred as a result, including any additional expenses. Specifically, and without prejudice to further rights, Telair may demand storage charges per month of 0.5%, but not more than 5% of the price of the delivery that has been delayed. The Buyer retains the right to present evidence that no loss, or a much smaller loss, resulted from the default of acceptance.
- 4.5. In cases where the requirements under subclause (4) are met, the risk of accidental loss of the purchase item or accidental deterioration in the item being sold shall transfer to the Buyer at the time the latter defaults in acceptance or becomes in default of the debtor.
- 4.6. In the case of call orders, Telair may request a storage charge of between 0.5% and 5% of the price of the delayed delivery. Furthermore, after 12 months of the order confirmation, Telair may apply a one-month period of grace for call orders and then invoice the goods or service that have not been accepted, and also apply storage charges until acceptance. The Buyer retains the right to present evidence that no loss, or a much smaller loss, resulted from the default of acceptance.
- 4.7. Telair shall be liable pursuant to the statutory provisions if the delay in delivery is the result of an intentional or grossly

negligent contract violation on its part; it shall likewise be deemed responsible for any fault on the part of its representatives or vicarious agents. Where the delay in delivery is the result of a grossly negligent contract violation for which Telair is responsible, the latter's liability in damages shall be limited to foreseeable, typically occurring damage. This provision does not imply any change in the burden of proof to the detriment of the Buyer.

- 4.8. Telair shall also be liable pursuant to the statutory provisions where the delay in delivery for which Telair is responsible results from the culpable violation of a material contractual obligation; in such case, however, the liability in damages shall be limited to foreseeable, typically occurring damage.
- 4.9. Where Telair is responsible for a delay in delivery in accordance with these provisions, its liability shall be restricted to compensation for the loss resulting from default for each full week of execution to compensation of 0.5%, in total however no higher than 5% of the price for the portion of the delivery that is unusable owing to the default.
- 4.10. The Buyer is obliged at Telair's request to state within a reasonable period whether it wishes to withdraw from the contract because of the delay in delivery, or if it insists on delivery.
- 4.11. Other legal claims and rights due to the Buyer in the event of default are reserved.

5. Transfer of risk – packaging costs

- 5.1. Unless otherwise specified in the order confirmation, delivery is agreed as "ex-works/Telair warehouse" in Miesbach ("ex-works" Incoterms 2010). Method and route of shipment shall be decided by Telair at its reasonable discretion. Shipment is at the sole risk and for the exclusive benefit of the Buyer. This shall also apply to returns.
- 5.2. Transport packaging and all other disposable packaging are not taken back.
- 5.3. Small parts and punched parts are delivered as bulk goods. Individual piece packaging and special packaging are included only by separate arrangement.
- 5.4. Should the Buyer so desire, Telair will take out shipping insurance; the Buyer must bear any costs involved for this.

6. Rights relating to defects and liability

- 6.1. Deviations in delivery owing to differences in manufacturing series shall not be deemed defects, provided the deviations are both reasonable for the Buyer and usual. Technical data, specifications and statements of performance in offers, contracts, attachments, advertising brochures and documentation, etc. merely designate the condition of the products and do not constitute any guarantees, unless they are expressly described as such.
- 6.2. Defects must be reported in writing without delay, within a period of eight days. In the case of obvious defects, the said period begins with the delivery, and in the case of hidden defects when the defect is discovered. If the Buyer neglects to report the defect, the delivery or service shall be deemed approved.
- 6.3. Where a defect is identified in the item being sold, Telair shall be entitled at its discretion to effect subsequent performance in the form of a repair of the defect, or to deliver a new item that is free from defects. In the case of repair of the defect, Telair is obliged to bear all costs incurred for the repair, in particular costs for shipping, travel, labor and materials, unless such costs are increased because the item being sold was moved to a location other than the place of performance.
- 6.4. Should subsequent performance fail, the Buyer – without prejudice to any compensation claims – shall be entitled at its discretion to either rescission (cancellation of the contract) or reduction (in the remuneration).

- 6.5. Deficiency claims shall not be valid in the case of minor deviations from the agreed condition or the agreed delivery quantity, minor impairment of serviceability, normal wear and tear, or damage that occurred after the transfer of risk as the result of faulty or negligent handling, excessive stress, unsuitable operating equipment, unsuitable use, improper application, faulty assembly or resulting from special external influences that are not provided for under the terms of the contract. A customary deviation in the delivery quantity of up to 5% shall be deemed immaterial. Likewise, if improper alterations are made by the Buyer or by third parties, no deficiency claims shall apply to these, or any consequences resulting from them.
- 6.6. The Buyer shall assist Telair with identifying and remedying defects, and shall inform and consult with it in a comprehensive manner. It must give Telair the opportunity to investigate the damage.
- 6.7. Telair shall be liable pursuant to statutory provisions where the Buyer has asserted compensation claims based on intent or gross negligence, including intent or gross negligence on the part of representatives or vicarious agents of Telair. Insofar as Telair is not accused of a wilful breach of contract, its liability for damages shall be limited to foreseeable, typically occurring damage.
- 6.8. Telair shall be liable pursuant to statutory provisions where it has culpably violated a material contractual obligation on whose fulfilment the Buyer relied, and should have been able to rely; in this case, too, liability for damages shall be limited to foreseeable, typically occurring damage.
- 6.9. The engineering services offered by Telair are performed according to the best available knowledge, and with the utmost care. Liability for consequential damage that occurs after exploitation of the engineering services is excluded.
- 6.10. Telair assumes liability for personal injuries (to life, limb or health) only where these are the result of gross negligence or intent. The Buyer shall bear the burden of proof in such instances. This shall be without prejudice to liability for culpable injury to life, limb or health pursuant to the German Product Liability Act (Produkthaftungsgesetz).
- 6.11. Liability is excluded unless otherwise specified above.
- 6.12. The provisions above do not imply any change in the burden of proof to the detriment of the Buyer.
- 6.13. The limitation period for the rights arising from product defects is 12 months. This shall not apply where by law, pursuant to Art. 479 par. 1 German Civil Code (BGB), longer limitation periods apply, and in cases involving injury to life, limb or health, intentional or grossly negligent breach of duty, or fraudulent concealment of a defect. Legal regulations on the start of the period of limitation, suspension, suspension of expiry and the recommencement of the limitation periods remain unaffected.
- 6.14. Recourse claims by the Buyer against Telair pursuant to Art. 478 BGB (recourse of the entrepreneur) are valid only to the extent that the Buyer has concluded no agreements with its customer over and above the statutory deficiency claims. The above regulations apply mutatis mutandis to the scope of liability for damages on the part of Telair.

7. Industrial property rights; defects of title

- 7.1. In the case of a defect of title for which Telair is responsible, the claims/rights due to the Buyer arise from the regulations in Clause 6; these apply mutatis mutandis.
- 7.2. The Buyer undertakes to inform Telair without delay of any third-party property right claims with regard to the delivered products, and to leave Telair to arrange the legal defence at its own expense.

- 7.3. On the basis of third-party property right claims, Telair shall be entitled to implement any changes required, including to goods that have been delivered and paid for.
- 7.4. Claims on the part of the Buyer are excluded insofar as it is responsible for the infringement of the property right. Furthermore, claims on the part of the Buyer are excluded where the infringement of the property right results from special specifications made by the Buyer, an application that was not foreseen by Telair, or due to the fact that the delivery was modified by the Buyer, or used in conjunction with products that were not supplied by Telair.
- 8. Total liability**
- 8.1. Any liability for damages other than provided for in Clauses 6 and 7 is hereby excluded, irrespective of the legal nature of the asserted claim. This applies in particular to claims for damages arising from fault when the contract was concluded, other breaches of duty, or tortious compensation claims for property damage pursuant to Art. 823 BGB.
- 8.2. Where liability for damages towards Telair is excluded or limited, this shall also apply to personal liability for damages on the part of office employees, factory workforce, staff members, representatives and vicarious agents.
- 9. Clause 9 Special designs; costs for tools**
- 9.1. A one-off charge for increased tooling expenses applies for the delivery of special designs.
- 9.2. The tools remain the property of Telair. The Buyer may demand that such tools are used only for orders that it places. Otherwise, Telair shall retain unrestricted copyright and industrial property rights to the tools.
- 9.3. If a defect in a special design is identified after acceptance, the Buyer shall initially only be entitled to a repair of the defect. Should this fail, the Buyer – without prejudice to any compensation claims – shall be entitled at its discretion to either rescission (cancellation of the contract) or reduction (in the remuneration). Otherwise, the provisions on defects and liability claims as outlined in Clauses 6 to 8 apply mutatis mutandis.
- 10. Reservation of title**
- 10.1. Telair reserves ownership of the item being sold until all payments arising from the business relationship with the Buyer have been received.
- 10.2. In the event of the Buyer acting contrary to the terms of the contract, in particular defaulting on payment, Telair shall be entitled to take back the item being sold after a reasonable period. Repossession of the item being sold on the part of Telair shall also constitute withdrawal from the agreement. Telair is authorized to exploit the item being sold following repossession, and the proceeds from the exploitation shall be set off against the Buyer's debts, after deduction of appropriate exploitation costs.
- 10.3. The Buyer may not attach the delivery items or transfer the title to them as security. In the case of attachments, seizure or other third-party interference, the Buyer must inform Telair without delay, and provide it with all the information and documents it requires to safeguard its rights. Enforcement officers and third parties must be informed of Telair's ownership of the goods. Where the third party is unable to refund the court costs and extrajudicial costs of an action pursuant to Art. 771 German Code of Civil Procedure (ZPO), the Buyer shall be liable for the loss incurred by Telair.
- 10.4. The Buyer is entitled to re-sell the delivery items in the ordinary course of business; however, it hereby assigns to Telair all claims against its customers or third parties in the amount of the purchase price agreed between Telair and the Buyer, including value-added tax, such as might accrue to it from the resale, irrespective of whether the delivery items are resold without or after processing. The Buyer shall also be authorized to collect this claim after assignment.
- This does not affect Telair's authority to collect the claim itself. However, Telair undertakes not to collect the claim as long as the Buyer duly meets its payment obligations and does not default on payment. However, if it does default, Telair may request the Buyer to notify it of the assigned claims and the debtors involved, provide all information needed for collection, hand over the accompanying documents, and inform the debtors (third parties) of the assignment without delay.
- 10.5. Processing or reshaping of the goods by the Buyer is always carried out on Telair's behalf. If the delivery items are processed together with other items that are not the property of Telair, the latter shall acquire co-ownership of the new item in the same proportion as that of the value of the delivery items to the value of the other items processed at the time. Otherwise, the same provisions apply to the item created by processing as for the delivery items supplied with reservations.
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- If the delivery items are inseparably mixed with other items that are not the property of Telair, the latter shall acquire co-ownership of the new item in the same proportion as the value of the delivery items to the other mixed items at the time of combination. If the items are mixed in such a way that the Buyer's item must be seen as the main item, it is hereby agreed that the Buyer shall transfer proportionate co-ownership to Telair. The Buyer shall therefore look after the sole ownership or co-ownership on behalf of Telair. The Buyer shall also assign to Telair any claims to secure the latter's accounts receivable against it, such as may accrue against a third party from the incorporation of the item being sold in real property.
- 10.6. Telair undertakes to release the securities due to it at the request of the Buyer to the extent that the realisable value of its securities exceeds the secured accounts receivable by more than 10%; Telair shall be responsible for selecting the securities to be released.
- 11. Confidentiality and data protection**
- The contractual parties undertake to treat confidentially all oral or written information and information material, or such information as is designated confidential or that would normally be considered confidential, that they become aware of, either directly, indirectly, or in any other way, in connection with the contractual relationship for the duration of the contractual relationship, and also for two years after it is terminated, to use it solely in the context of the services covered under this agreement, and not to pass such information on to third parties or make it accessible to third parties in another form without the consent of the counterparty, and to take all appropriate measures to rule out and prevent access to the information. In particular, the Buyer shall treat as confidential any information relating to Telair's methods and technical processes.
- Exception from the obligation of confidentiality: Only such information and information materials are excepted from this obligation of confidentiality that:
- are already public knowledge at the time they become known, i.e. that could be readily accessed by any third party; after they become known, are made legally available to a contractual party by a third party who is not bound by any obligation of confidentiality regarding the information towards the other contractual partner;
 - are subject to mandatory disclosure on request to an authority or to another authorized third party; need to be disclosed to the legal advisers or tax consultants of the partner concerned for the purposes of consulting. The parties undertake to impose an obligation of confidentiality on all employees or third parties which they use to perform the services covered under the terms of this agreement.
- 11.1. Telair undertakes not to contravene any data protection regulations as part of its contractual services. Telair shall oblige

its employees to comply with data protection regulations and shall impose an obligation of confidentiality on such persons. Telair shall coordinate privacy-sensitive activities with the Buyer's data protection officer.

12. **Export control regulations**

The Buyer undertakes to refrain at all times from engaging in the following types of business transactions: Transactions with persons, organizations or institutions that are included on a sanctioned parties list pursuant to EC/EU directives or US export regulations. Prohibited business transactions with persons, organizations or institutions in embargo states. Business transactions for which the necessary permit has not been obtained. All performance of the contract on the part of Telair is always subject to the reservation that there are no obstacles to performance arising from applicable national or international regulations under foreign trade legislation, embargos (and/or other sanctions).

13. **Warranty for repair services**

As part of the repair services it carries out, Telair provides a warranty that material and workmanship are free from defects for a period of 12 months after delivery. A repair service is deemed free from defect if the installation meets the manufacturer or CMM specifications. This warranty does not extend to consequential damage. Telair's liability shall be limited to the net price of the repair that is the subject of the complaint. Telair may repair or replace defective material as it sees fit.

The warranty shall become null and void if the device was repaired by the Buyer or a third party, or was modified in any way.

The repair service warranty does not extend to:

1. Any damage that results from incorrect operation of the device, or from the influence of forces beyond the development specifications for the device.
2. Damage resulting from incorrect installation or disassembly of the device.
3. Damage that results from the use of third-party replacement parts (including wear parts), or from replacement parts whose use has not been expressly approved by Telair.
4. Damage resulting from operation of defective equipment. The warranty for the material and the operating performance becomes null and void if a defective device continues to be operated.
5. Devices where the brand name, rating plate, part or serial number, or any other identification feature, has been damaged or removed.
6. Devices that arrive at the repair service in a disassembled state, or with parts missing.
7. Any repair measure that does not comply with requirements in accordance with the manufacturer specifications or with the specifications stipulated by Telair.
8. Damage resulting from natural wear and tear.

14. **Provision of certificates**

- 14.1. Telair shall provide the customer with an EASA (European Aviation Safety Agency) Form One if the regulatory requirements of the aviation authority responsible have been met.
- 14.2. In other cases, Telair will issue the customer with a CoC (Certificate of Conformity).

15. **Place of jurisdiction – place of performance**

- 15.1. If the Buyer is a commercial business, the registered office of Telair is the place of jurisdiction; however, Telair is also entitled to take legal action against the Buyer before the local court at the Buyer's registered office.
- 15.2. The laws of the Federal Republic of Germany shall apply, excluding the terms of the UN Sales Convention.

- 15.3. The registered office of Telair is the place of performance unless otherwise specified in the order confirmation.

16. **Miscellaneous**

- 16.1. Should individual provisions in this agreement prove invalid, this shall not affect the validity of the remaining provisions. In place of any invalid provision, a valid provision shall be agreed upon that most closely approximates the economic intent of the original.
- 16.2. Any changes or additions to this agreement must be made in writing. This requirement also applies to a change to the written form requirement.

17. **Language**

The German version of these GTCs is the sole legally binding version. It shall have exclusive power of enforcement over any version translated into English or another language. Translations of these GTCs are intended merely as an aid to general comprehension.