

General Purchasing Terms and Conditions of Aerotechnik E. Siegwart GmbH, 66299 Friedrichsthal

I. Validity

1. Any delivery, service and offer of our suppliers shall be exclusively subject to these General Terms and Conditions. They are incorporated into all the contracts we make with our suppliers regarding their offered deliveries or services. They also apply to all future deliveries, services and offers to us, even if they are not stipulated separately.

These General Terms and Conditions are not applicable if the supplier is a consumer according to the paragraph 13 of the German Civil Code (BGB).

2. The Terms and Conditions of our Suppliers or The Third Part cannot be applied as well, if we do not expressly object to their applicability in the individual case. Even if we refer to a letter which contains or refers to the terms and conditions of the Supplier or a Third Part, it does not constitute agreement to the applicability of such terms and conditions.

II. Contracting

1. To the extent our quotations do not expressly contain a binding period, we are bound by them for one week after the date of quotation. The timely receipt of the acceptance declaration by us is decisive for the timely acceptance.

2. We reserve the right to change the time, place of the delivery and the type of packaging at any time by providing written notification at least 7 calendar days prior to the agreed delivery date.

This also applies to changes of product specifications to the extent they can be realized within the scope of standard production process of a supplier without additional effort/costs. However in such cases the notice period pursuant to the preceding sentence amounts to at least 14 calendar days.

The proven, incurred and reasonable additional costs of the supplier arising from these changes will be respectively reimbursed. If such changes lead the delivery delays which cannot be avoided by reasonable efforts in the normal production and business process of the supplier, the originally agreed delivery date will be postponed accordingly.

The Supplier will notify us in due time period prior to the delivery date, however, not later than 5 calendar days after receipt of our notice pursuant to sentence 1, about the additional expenses or delivery delays to be expected by it upon diligent consideration.

3. We reserve the right to terminate the contract at any time by written notice, stating the reason, if we are no longer able to use the ordered products in our business operations because of circumstances arising after contracting. In this case we will compensate the supplier for the partial service provided by it.

III. Prices, Terms of Payment, Invoice Details

1. The price set forth in our offer/order is binding.

2. Unless it is agreed in writing providing otherwise, the price includes delivery and transport to the shipping address set forth in the contract, as well as packaging.

3. To the extent the agreement made does not include the price of packaging and this price is not expressly agreed, it shall be charged at the demonstrable cost rate, unless it is only provided on loan. Upon our request the supplier shall take back the packaging at its expenses.

4. Unless agreed otherwise, we shall pay the agreed compensation net within 30 days from delivery of the goods and receipt of an invoice after deduction of agreed discounts. The receipt of our transfer order by our bank is sufficient for the timeliness of payments owed by us.

5. The details of our order, delivery quantity and type of delivery of the goods or services must be stated in all order confirmations, delivery documents and invoices. If one or more of these data are not provided and if the processing by us is delayed within our ordinary course of business as a result, the payment periods stated in paragraph 4 shall extend by the period of delay.

6. In case of late payment we owe default interest in the amount of five percentage points above the base rate pursuant to Section 247 of the German Civil Code (BGB).

IV. Delivery, Delivery Time, and Transfer of Risk

1. The delivery time (delivery date or period) stated in the order or otherwise according to these General Terms and Conditions is binding. Early deliveries are not permitted.

2. The Supplier must inform us in writing if circumstances arise or become recognizable according to which the delivery time cannot be met.

3. In case of late delivery we are fully entitled to the statutory rights, including the right of rescission and the right to demand the damage compensation instead of performance after fruitless expiration of a reasonable grace period.

In case of delivery delay we may demand a contractual penalty in the amount of 0,5% of the respective order value for each commenced week of the delivery delay, up to maximum of 5% of the respective order value upon prior warning. The penalty shall be credited against the default damages to be compensated by the supplier.

4. The Supplier has no right to partial deliveries without our prior written consent.

5. The risk is only transferred to us if and when the goods are handed over at the agreed destination, even if the shipment has been agreed.

V. Ownership Protection

1. We reserve ownership or copyrights in orders and instructions placed by us as well as in drawings, illustrations, calculations, descriptions and other documents provided to the supplier. The supplier may not make them available or disclose them to the third parties, nor may the supplier use them directly or via third parties or reproduce them without our express consent. Upon our request the supplier shall fully return such documents to us, if they are no longer required by it in the ordinary course of business or if negotiations do not result in the conclusion of a contract. The supplier has to destroy copies made hereof by it, if any. This only excludes the retention within the scope of statutory retention obligations and the storage data for back-up purposes within the scope of standard data back-up.

2. Any retention of title by the supplier is only valid to the extent it relates to our payment obligations for the respective products in which the supplier retains title. In particular, so-called „all-monies“ clauses and „mixed goods“ clauses are prohibited.

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VI. Warranty Rights

1. In case of defects of service or delivery provided we are fully entitled to the statutory rights. The statutory period of limitation therefrom, however, amounts to 30 months, unless a longer statutory period of limitation is provided otherwise.

2. Quality and quantity deviations shall also be notified timely, after we inform the supplier within 10 working days upon receipt of goods by us. Latent defects have to be reprimanded timely after the supplier is informed about it within 12 working days.

3. We do not waive warranty rights by accepting or approving provided models or samples.

3. The limitation period of for warranty rights is suspended upon receipt of our written notice of defects by the supplier, until the supplier rejects our notification or removes the defect or denies the performance of negotiations on our claims. In case of replacement delivery and removal of defects the warranty period of for replaced or repaired parts start anew, unless we had to assume on the basis of the behavior of the supplier that the supplier did not consider itself obliged to undertake the measure, but only provided the replacement delivery or repair for reasons of goodwill or similar.

VII. Product Liability

1. The Supplier is responsible for all claims asserted by third parties because of personal injury or damage to property and based on a defective product by the supplier. The supplier shall indemnify us from and against the resulting liability.

2. If we are obliged to recall products from the third parties because of some defect of a product supplied by a supplier, the supplier shall bear all efforts and costs associated with the recall.

3. The supplier is obliged to maintain product liability insurance with a coverage sum of at least EUR 2,500,000 at its expenses. Unless agreed otherwise in the individual case, this liability insurance policy does not have to cover the risk of recall or punitive or similar damages. Upon our request the supplier has to send a copy of the liability insurance policy to us at any time.

VIII. Property Rights

1. The supplier guarantees that property rights of third parties in countries of European Union or other countries in which it manufactures the products or in which it has products manufactured, are not infringed in connection with supplier's deliveries.

2. The supplier is obliged to indemnify us from and against all claims asserted against us by the third parties due to the infringement of industrial property rights set forth in paragraph 1, and reimburse us for all necessary expenses in connection with these claims. Such a claim is not valid if the supplier proves that the property rights are not infringed by it or it was not informed about the expenses of commercial care at the delivery time.

3. We are entitled to further indemnification claim regarding all products delivered to us.

IX. Product Line Modification, Spare Parts

1. The Supplier undertakes to keep spare parts for products delivered to us available for a period of at least 5 years after the delivery.

2. If the supplier intends to cease production or distribution of spare parts for the products delivered to us, it shall inform us hereof immediately after making such a decision. This also applies if the supplier intends to stop production or distribution of spare parts for such products in the future.

Such decisions must be made according to paragraph IX. 1 of these General Terms and Conditions at least 8 months prior to cessation of the production.

X. Confidentiality

1. The Supplier shall keep the terms and conditions of the order and all the information and documents provided for this purpose (excluding publicly available information) confidential and only use such to fulfill the order. Upon request, the Supplier has to return such information/documents to us immediately upon processing inquiries or fulfilling orders.

2. Without our prior written consent the supplier may not make reference to the business relationship in advertising materials, brochures etc., or exhibit delivery items produced for us.

3. The Supplier shall commit its sub-suppliers in accordance with this paragraph.

XI. Assignment, Right of Retention, Compensation

(1) The Supplier may not assign its claims under the contractual relationship to third parties.

(2) Setting off claims of the supplier or the retention of goods and services due to such claims is only permitted against us if the claims of the supplier are undisputed or legally binding

XII Applicable Law, Place of Performance, Venue

1. The contracts made between us and the supplier are subject to the law of the Federal Republic of Germany excluding the Convention on the International Sale of Goods (CISG).

2. The place of performance for both parties and exclusive venue for all disputes under the contractual relationship is our head office in Friedrichsthal.