

Standard Terms and Conditions for the Purchasing of Goods and Services by IDAIR GmbH

1. General terms

1.1. Contracts of IDAIR GmbH (IDAIR) concerning purchasing, in particular purchase contracts, contracts for work and labor, contracts for work and material, contracts for the supply of services and other procurement and/or services agreements (collectively referred to hereinafter as "Contracts") shall be concluded only on these terms and conditions. The same shall apply to Contracts concluded by IDAIR in the name of and on behalf of third parties. Any conflicting terms and conditions proposed by the party entering into a Contract with IDAIR (such party hereinafter referred to as "Contractor") shall apply only if and to the extent that such terms and conditions have been expressly agreed to in writing. Silence on the part of IDAIR shall not be construed as acceptance, even following the receipt of such terms and conditions.

1.2. The following terms and conditions shall also apply to any future Contracts between the Contractor and IDAIR.

2. Offer and Acceptance

2.1. Offers made by IDAIR, especially purchase orders, may be withdrawn by IDAIR at any time prior to the receipt of a written order confirmation.

2.2. Where order confirmations deviate from the order, acceptance must be confirmed in writing by IDAIR to become effective. IDAIR's written confirmation must be given within two weeks of the issuance of the order confirmation or the Contract is deemed not to have been concluded. Silence shall not be construed as acceptance or agreement. The acceptance of deliveries and services or payments shall not be deemed as an acceptance of an offer, unless the offer is expressly confirmed in writing.

2.3. The prices specified in the purchase orders of IDAIR do not include any applicable VAT, but do include all ancillary expenses (including but not limited to transportation costs, customs duties, packaging and insurance costs, and costs for the return and disposal of the packaging).

2.4. An acceptance by IDAIR of any offer of the Contractor shall be binding only if the acceptance is in writing.

3. Goods and Services, Notice of Defects and Acceptance, Intellectual Property

3.1. The place of performance shall be the registered place of business of IDAIR in Hamburg, Germany or another delivery place as specified on the IDAIR Purchase Order.

3.2. Premature deliveries may be rejected if their acceptance is not in the best interest of IDAIR.

3.3. In the case of a continuous business relationship IDAIR shall be entitled to perform quality audits at the premises of the Contractor during usual business hours, in particular in the event of the discovery of defects in the goods or services delivered, and, if necessary, together with representatives of the relevant aviation authority. The Contractor agrees to provide IDAIR with all necessary support and to grant access to all pertinent documents, production facilities, and other industrial and office premises. Any measures or changes requested by IDAIR after the audit; to ensure compliance with laws in the EU and US and generally accepted standards of good engineering practice, including without limitation, environmental and safety regulations such as RoHS and REACH, shall be put in place and/or carried out by the Contractor at its own expense. If the Contractor refuses to be audited without legitimate reason, or if the Contractor refuses to put in place and/or carry out any justified measure and/or change requested by IDAIR, IDAIR shall be entitled, upon reasonable notice, to withdraw from the Contract or – in the event of a continuing contractual obligation – to terminate the Contract for cause. In the event of a withdrawal and/or a termination for cause, IDAIR shall be entitled to damages in lieu of specific performance.

3.4. In the case of a continuous business relationship the Contractor shall immediately inform IDAIR of any changes affecting quality, in particular with regard to organization, location, or the production/manufacturing process.

3.5. Delivery notes are to be attached to the exterior of the packaging and must specify the order number, the article description, component number, and the delivery quantity as well as any accompanying certificates/documents and references to all partial deliveries. Deliveries that belong together must be labeled as such. Goods from outside of the European Union must be labeled as such. Non-compliance with any one of these obligations shall entitle IDAIR to refuse delivery unless the Contractor is not responsible for such non-compliance.

3.6. IDAIR shall be deemed to have satisfied its statutory obligations of timely inspection and notification of defects and damages as provided for by German commercial law if evident defects are reported within two weeks following delivery, and any hidden defects are reported within two weeks following their discovery. The reporting of defects at a later date may suffice if justified by the circumstances of the particular case.

3.7. The issuing of delivery receipts or payment for services rendered or goods supplied by the Contractor shall not affect, impair, or operate as a waiver of any claim, any right, or any remedy of IDAIR.

3.8. The Contractor shall not be permitted to subcontract any obligations under the Contract to third parties.

3.9. IDAIR must be informed immediately in writing if Contractor removes or exchanges certain components or other materials from equipment provided to Contractor by IDAIR in connection with the performance of the Contractor's services. The removed components or materials shall be stored safely for a period of 30 days from the completion of the Contractor's main obligations under the Contract. If IDAIR does not request the return of the removed component or other materials within this period, the Contractor shall scrap those removed components and other materials at its own expense and provide IDAIR with appropriate evidence that the removed components and other

materials have been scrapped. The Contractor shall not make any other use of the removed components and other materials.

3.10. The Contractor shall provide to IDAIR at no additional cost all Component Maintenance Manuals, Service Bulletins, Service Information Letters and any other information necessary to enable IDAIR to use, maintain and repair any supplied goods, including any future amendments, updates or other changes to such documentation. Where applicable, such documentation shall be in compliance with ARINC 625 standard. Upon IDAIR's request, the Contractor shall also provide all such documentation in electronic format.

3.11. Where contracts for work and labor and contracts for work and material provide for certain development or engineering work by the Contractor as further defined in the specification which is part of the Contract, unless expressly agreed otherwise in writing, IDAIR shall be assigned all rights, title and interest in and to any inventions, discoveries, improvements, methods, ideas, designs, computer programs and related documentation, other works of authorship fixed in any tangible medium of expression or any other form of intellectual property, whether or not patentable, copyrightable or subject to other forms of protection ("Intellectual Property"), which are incorporated in the parts of the work result outlined in the specification set forth in the Contract and are made, created, developed, written, conceived or first reduced to practice by the Contractor in the course of the work specified in the Contract. This section 3.11 shall not apply to any Intellectual Property already in existence before performing the work under the Contract or created by third parties. For the avoidance of doubt, IDAIR's license according to this section 3.11 also includes the right to use, copy, distribute, customize, modify, enhance or otherwise alter or supplement any copyrightable work product, including, but not limited to source code.

3.12. All documentation shall be sent to:

IDAIR GmbH
Building 117 Room 531
Weg beim Jaeger 193
D-22335 Hamburg
Germany
info@idair.aero

3.13. Any work performed under contracts for work and labor and contracts for work and material shall require an express written acceptance by IDAIR. Any acceptance of any work shall be binding upon IDAIR if made in writing and if signed by two members of IDAIR staff authorized to represent the company. Any changes to the agreed specifications, drawings, designs, the bill of material or other content of the purchase order requested or otherwise introduced by the Contractor after the initial acceptance of the purchase order, require the prior written acceptance by IDAIR. The Contractor must inform IDAIR of such intended changes at least two weeks before the answer becomes due. IDAIR's acceptance of the work performed or any late delivery shall not impair, limit, waive or otherwise affect any of IDAIR's rights or remedies, including any claims for liquidated damages, even if IDAIR has not made an express reservation of such rights or remedies upon acceptance.

4. Transportation, Default, Transfer of Risk, Retention of Title

4.1. All delivery costs, in particular packaging, forwarding and transport insurance costs as well as the costs of returning the packaging material – in so far as IDAIR requests that the packaging material be returned – shall be borne by the Contractor. Should the Contractor not accept the returned packaging material, IDAIR may dispose of the packaging and charge the Contractor for any costs incurred.

4.2. The Contractor shall notify IDAIR immediately in writing of any delays in delivery that may arise as soon as these delays become apparent, quoting the order number and order date as well as the anticipated delivery date. The receipt of such notification shall not excuse any such delay or extend the agreed delivery time unless IDAIR expressly agrees to such an extension in writing. Should IDAIR not agree to such extension, or agree to an extension only with respect to a part of an order, the Contractor shall be liable for any losses incurred by IDAIR as a result of such delayed delivery, unless the Contractor can demonstrate that it has not been negligently or intentionally caused the delay.

4.3. In the event of delays in delivery, IDAIR shall further be entitled to a contractual penalty amounting to 0.15 % of the Contract value per working day of delay, capped at a maximum of 5 % of the total order value. Once paid, the contractual penalty shall be considered a partial prepayment of (and offset against) any damages due related to such delay in the performance of the service. The right of IDAIR to withdraw from the order and to claim further damages shall remain unaffected, even following the assertion and/or payment of the contractual penalty.

4.4. The Contractor shall bear the risk of theft, accidental damage or loss until final delivery of the goods to IDAIR or the acceptance by IDAIR of the work performed at the place of performance. In the case of delivery from the United States performed by a carrier designated by IDAIR, the Contractor shall bear the risk of theft, accidental damage or loss until goods are handed over to carrier.

4.5. When transporting goods, the Contractor undertakes to comply with all laws, including, without limitation, all relevant regulations for flight safety. In particular, the Contractor shall also observe all applicable laws and regulations on the transportation and shipment of dangerous goods.

5. Guarantees, Warranties and Contractor's liability

5.1. The Contractor warrants and undertakes that:

- only those materials specified in the Contract or otherwise agreed shall be used and that all specifications regarding dimensions and quantity outlined by IDAIR in the Contract shall be observed. Any deviations therefrom require IDAIR's prior written consent;

- all certificates and documents specified in the Contract and any other documents which are necessary for the use of the goods or services for the purpose specified in the Contract, including certification of materials (i) shall be supplied and provided by the Contractor, and (ii) shall comply with applicable domestic and international laws, including, without limitation, statutory national and international aviation regulations and the contractually agreed specifications;
- the delivered goods, services or work performed comply with the laws of Germany as well as other applicable domestic and international laws, including, without limitation, aviation and flight safety regulations as well as any other relevant environmental or work safety regulations and generally recognized standards of good practice;
- the delivered goods, services or work performed do not infringe upon any third party intellectual or industrial property rights and are not encumbered by any third party rights. The Contractor shall indemnify IDAIR from and against all third party claims asserted against IDAIR for infringement of third party intellectual or industrial property rights. This indemnity shall extend to any and all losses and costs incurred by IDAIR as a result of any such infringement, including, without limitation, reasonable attorneys' fees and any damages payments to third parties. In the event of any third party claims asserted against IDAIR, the Contractor shall, upon IDAIR's request, provide appropriate security to IDAIR covering an amount up to, but not to exceed, the anticipated loss by IDAIR.

5.2. Without prejudice to Clause 5.1, in the event that IDAIR is entitled to request and requests that the Contractor (i) repairs or replaces a defective good or service and (ii) corrects a defective design, the Contractor shall repair or replace such defective good within ten (10) days and to correct such defective design within one (1) month from the receipt of IDAIR's notification.

5.3. The limitation period for all claims under Clause 5.1. shall be as follows:

- for all claims resulting from defective goods or services, the limitation period shall be three years calculated from the date of delivery (purchase contracts) or acceptance (contracts for work and labor, contracts for work and material) at the place of performance;
- for all claims resulting from defective goods that are used for a building in accordance with its customary use and that result in a defect of the building, the period of limitation shall be six years calculated from the acceptance or delivery date.

If the law stipulates longer limitation periods and/or a later start of the period, the law shall prevail, including in relation to claims for damages, which result from or relate to death or personal injury.

5.4. Furthermore, the Contractor shall indemnify IDAIR from and against all third party claims related to the goods purchased, work performed or services provided to the extent that IDAIR is statutorily liable for such claims vis-à-vis such third parties.

5.5. IDAIR's claim for damages shall not be restricted to the loss incurred as a result of the Contractor's non-performance of its primary obligations. The obligation to pay damages (or provide any other remedy) as well as the scope of indemnification shall also include out-of-pocket expenses, fees and disbursements.

5.6. The Contractor shall procure and maintain appropriate insurance covering the performance of its contractual obligations, including aviation risk, if applicable. The Contractor shall upon request provide IDAIR with appropriate evidence of the insurance – even after performance of its main obligations under the Contract. Should the Contractor fail to procure and maintain such insurance, IDAIR shall be entitled to request that the Contractor concludes an appropriate policy and provides a copy of the insurance certificate to IDAIR. If the Contractor does not comply with this request, IDAIR shall be entitled to withdraw from the Contract and claim damages in lieu of or in addition to performance.

5.7. In the case of contracts for work and labor and contracts for work and material, IDAIR shall be entitled to retain a security deposit amounting to 5 % of the Contract value for the duration of the limitation period for warranty claims. In the event that IDAIR elects to retain a security deposit, the Contractor may elect to provide the security deposit also in the form of an irrevocable, directly enforceable guarantee from a major German bank or savings bank for the duration of the warranty period.

6. Invoices, Payments, Offsetting, Retention

6.1. All invoices shall quote the order number, order item, date and quantity and list the individual component and item price. All invoices shall be issued to the IDAIR address stated in the order. All invoices shall comply with any applicable tax laws, including, without limitation, VAT rules. Invoices for partial deliveries shall be recognizable as such. IDAIR shall be entitled to withhold settlement of any invoice which does not comply with this section 6.1 until a proper invoice has been received.

6.2. Payments by IDAIR shall be effected within 30 days following the complete fulfillment of the Contract by the Contractor and the receipt of the invoice by IDAIR (due date) but in no event earlier than 30 days after the agreed delivery date. Unless specifically agreed otherwise in writing, invoices for partial deliveries shall become due only after the final completion of the order.

6.3. IDAIR shall have the right to set off. The Contractor shall neither be entitled to set off nor to retain payments unless its counterclaims, if any, are undisputed or judgment has been rendered on them by a final and non-appealable court decision.

7. Export Control Regulations

7.1. The Parties hereby acknowledge that the execution of the Contract and the shipment, transfer or delivery of any item may be subject to export control laws and regulations of the European Union, Germany and the United States or any other country (hereinafter referred to as "Export Control Regulations"), including compliance requirements set forth under the U.S. Export Administration Regulations (EAR), 15 CFR Parts 730-774, International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130, and U.S. economic sanctions regulations (OFAC regulations), 31 CFR Parts 500-598).

7.2. Each party acknowledges its respective obligation to comply fully with applicable Export Control Regulations in connection with the performance of the Contract. As part of such obligation, the

Contractor agrees to ensure that the execution and any shipment, transfer or delivery of any item to IDAIR is in full compliance with applicable Export Control Regulations.

7.3. Prior to making any shipment, transfer or delivery of any item to IDAIR, the Contractor agrees to provide to IDAIR the correct export classification of such item, e. g., the classification under the "Ausfuhrliste" of the German Federal Office of Economics and Export Control (BAFA) or the Export Control Classification Number (ECCN) under the Export Administration Rules (EAR), and to provide to IDAIR all necessary information related thereto, and shall otherwise provide to IDAIR any reasonable assistance requested by IDAIR to ensure full compliance with applicable Export Control Regulations. As part of such assistance, Contractor shall inform IDAIR if any shipment, transfer or delivery of an item will require an export license or other authorization under applicable Export Control Regulations, and will provide any document that IDAIR must complete or submit in connection with obtaining such export license or authorization.

7.4. Contractor agrees that, whenever any shipment, transfer, or delivery of an item requires an export license or other authorization under applicable Export Control Regulations, it will obtain such license or authorization at no cost to IDAIR and in a manner that permits delivery of the item by the agreed time for delivery.

7.5. If Contractor is the U.S. Principal Party in Interest ("USPPI"), it agrees to comply with all requirements applicable to the USPPI in U.S. export transactions. If IDAIR is the Foreign Principal Party in Interest ("FPPI"), Contractor is authorized to act and agrees to act as IDAIR's true and lawful agent for purposes of preparing and filing any Electronic Export Information in accordance with Export Control Regulations of the United States.

7.6. The Contractor shall indemnify IDAIR from and against any claim, proceeding, action, fine, loss, cost and damage arising out of or relating to any noncompliance with Export Control Regulations by the Contractor, and the Contractor shall compensate IDAIR for all losses and expenses resulting therefrom, unless such noncompliance was not negligently or intentionally caused by the Contractor. This provision does not imply a change in the burden of proof.

8. Materials, Tools and Equipment paid for or furnished by IDAIR

Title to all production or engineering units, demonstration material or other tools and materials, if any, either paid for or furnished by IDAIR in connection herewith shall at all times remain with IDAIR. Such property shall be maintained by the Contractor in good and usable condition, reasonable wear and tear excepted, and the Contractor shall be responsible for any loss or damage thereto and shall at all times keep the same insured for its full insurable value. Such property shall be marked as the property of IDAIR and shall be stored separate and apart from the Contractor's property to the extent possible. It shall not be removed from the Contractor's premises, nor used for any other purpose than the purpose designated by IDAIR without the prior written approval of IDAIR. IDAIR may, at all reasonable times take possession of such property on demand with or without legal process and without liability. The Contractor shall indemnify IDAIR against any and all costs and expenses, including without limitation attorney's fees, arising out of the use of such materials by the Contractor.

9. Obsolescence

The Contractor shall notify IDAIR in writing 18 months prior to the discontinuation of production of any parts or materials. Except for air safety authorities directives, in the event that any engineering or other change originated by Contractor or its' suppliers, not approved by IDAIR, makes any products or parts purchased by IDAIR obsolete, Contractor shall notify IDAIR in writing and shall, at Contractor's expense, replace such obsolete products or parts or reimburse IDAIR its costs (including original freight delivery costs) for such products or parts. The Contractor shall extend opportunities to IDAIR to place last time purchase orders with delivery not to exceed 18 months after the last time buy notification.

10. Confidentiality

All information disclosed by IDAIR to the Contractor under the Contract, pursuant to its implementation, and during the negotiations leading to the Contract are confidential and shall not be made public or be disclosed to a third party without prior written consent by IDAIR. The Contractor agrees to use such information only for the purposes of the Contract. This section 10 does not apply where:

- such information was already known by the Contractor or was public before its disclosure by IDAIR; or
- such information becomes known to the public after disclosure to the Contractor without any breach of the Contract; or
- the Contractor is required by law to disclose such information to a third party.

In no event shall the disclosure of any information to the Contractor lead to or be construed as a transfer of any Intellectual Property Rights or know-how by IDAIR to the Contractor. The Contractor shall at all times keep any know-how disclosed by IDAIR strictly confidential and use it only to the extent required to perform its obligations under the Contract.

11. Place of Jurisdiction, Applicable Law, Severability Clause

11.1. The courts of Hamburg, Germany, shall have exclusive jurisdiction over any disputes arising out of or related to the Contract. IDAIR shall also be entitled to bring action against the Contractor at any other legally admissible venue, in particular at the place where the Contractor has his place of business.

11.2. The law of the Federal Republic of Germany excluding German conflict of law rules shall apply to all legal relationships between IDAIR and the Contractor. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is hereby excluded.

11.3. If any clause of the Contract or of these terms is or becomes fully or partially invalid, this does not affect the validity of the remaining clauses nor the validity of the Contract.