

General Terms and Conditions

of THOMMEN AIRCRAFT EQUIPMENT AG

Muttenz, September 2021

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The party issuing a purchase order for goods or services or for work to be done, hereinafter shall be referred to as the "Purchaser" and THOMMEN AIRCRAFT EQUIPMENT AG who will receive the purchase order hereinafter shall be referred to as the "Vendor" or "TAE".

1. Formation of Contract

The contract shall be deemed to have been concluded when, on receipt of an order, the Vendor acknowledges acceptance in writing.

2. Scope of Contract

The goods to be supplied and the work to be done under the contract shall be as specified in the order confirmation. Items not referred to therein shall be charged for separately.

3. Price

All prices shall be net, and no deductions will be allowed. For goods and services to be delivered within Switzerland, the VAT at the currently applicable rate is added to the price. All additional costs, such as the cost of packing, carriage, insurance, fees for export, transit, import and other permits and certificates, shall be borne by the Purchaser. Likewise, the Purchaser shall be liable for all kinds of taxes, fees, customs duties, etc.

4. Terms of Payment

Payments shall be made by the Purchaser to the Vendor at the Vendor's registered address, without any deductions for cash, discount, expenses, taxes or dues of any kind and effected in the currency stated in the contract in accordance with the following procedure:

- a) Payment shall be settled in advance.
- b) Purchasers with good payment record may be granted 30 days net from the date of invoice. Determination of the extended payment term shall be at the Vendor's sole discretion, based on the internal Purchaser credit risk valuation process.
- c) For all order amounts equal to or greater than CHF 100'000.00, payment shall be realized through an irrevocable letter of credit (LC) confirmed by the bank, to be opened by the Purchaser to the Vendor on the date of signature of the contract (but in any event prior to commencing manufacture and processing shipment) in a form that is satisfactory and acceptable to the Vendor. The Purchaser shall provide LC drafts to the Vendor prior to issuance. All charges and banking fees of the LC are to be carried by the Purchaser.
- d) Vendor does not accept credit card payments. For the assessment of check payments, a non-refundable service and handling fee of CHF 500.00 will be charged.
- e) In case that the Purchaser does not keep up the agreed terms of payment, default interest of 1% per month shall be charged without any special reminder from the due date.
- f) Quotations with a price in a currency other than CHF (foreign currency) are based on the exchange rate at the date on which the quotation is issued. In the event that the value of such foreign currency against the CHF decreases from the date of the quotation until the date of invoice by 3% or more, the price shall be adjusted accordingly.

The dates of payment shall also be observed if transport, delivery, erection, commissioning or acceptance of the machinery/equipment is delayed or prevented by circumstances beyond the Vendor's control. The Purchaser shall not withhold or reduce payments on account of complaints or claims nor set off any of its claims against any of Vendor's claims unless the Purchaser's claims are accepted by the Vendor in writing.

5. Property Right

The Vendor shall retain ownership of the goods supplied until full payment has been received and the goods have been delivered. The Purchaser shall participate in any measures necessary for the protection of the Vendor's property.

6. Delivery

The goods will be delivered DAP (Incoterms 2020) to the address specified by the Purchaser. Such delivery is made at the Purchaser's expense; the Purchaser is therefore charged a delivery fee.

At the explicit request of the buyer, the goods can be dispatched using another mode of delivery other than DAP, but must be in accordance with Incoterms 2020 and subject to agreement by both parties. In this case, the Purchaser may be charged a handling fee.

The delivery time shall commence when the contract has been signed, all official formalities such as import and payment permits have been settled, payments due with order have been made, and any agreed security given, and when the main technical points have been settled. The delivery time shall be deemed duly observed if the goods are ready for delivery by that time.

The delivery time will be reasonably extended:

- if the information required by the Vendor for execution of the order is not received in time, or if subsequent changes which delay delivery are made by the Purchaser;
- if barriers arise beyond the control of the Vendor, regardless of whether they occur on his own premises, those of the Purchaser or those of a third party, such as epidemics, mobilization, war, revolution, serious breakdowns in the factory, accidents, labor conflicts, late or deficient delivery of raw materials or goods by sub-contractors, the need to scrap important work pieces, official actions, natural catastrophes and acts of God;
- if the Purchaser is behind schedule with the work that he should execute, or with the fulfilment of this contractual obligations, especially if he fails to observe the terms of payment.

7. Testing and Acceptance of Goods

Where it is the normal practice, the goods will be tested by the Vendor during manufacture. If the Purchaser stipulates additional tests, they shall be agreed in writing and paid for by the Purchaser.

The Purchaser shall test the goods delivered within 10 calendar days and report any shortcomings to the Vendor in writing without delay. If he fails to do this, the goods shall be deemed to have been accepted.

8. Packing

Packing shall not be returnable. However, if it is declared Vendor's property, the Purchaser shall return it CPT (Incoterms 2020) to the Vendor's registered address.

9. Transfer of Use and Risk

The right to use the goods and the risk involved are transferred to the Purchaser in accordance with Incoterms 2020. If dispatch is delayed or prevented by circumstances beyond the Vendor's control, the goods shall be stored at the Purchaser's expense and risk.

10. Transport and Insurance

Transport shall be at the Purchaser's expense. Complaints in respect for transport shall be submitted immediately by the Purchaser to the last carrier on receipt of the goods. In addition Vendor shall be notified within 24 hours.

11. Maintenance Work

Maintenance work involves repairing – modifying – overhauling – inspecting/testing equipment originally sold and manufactured by Vendor. The maintained equipment is rectified to a working condition according to Vendor's Component Maintenance Manual(s).

11.1 Incoming Inspection Fee

The Vendor will inspect any incoming product and submit a quote to the Purchaser for the Repair Order. The Purchaser will be charged a fixed amount for the inspection of the incoming product regardless of whether the quote is accepted by the Purchaser. Vendor will not return the unit to Purchaser until the Incoming Inspection Fee has been paid in full.

11.2 Storage Fee

If Purchaser does not accept the repair quotation within 30 calendar days from receipt, the Purchaser will be charged a weekly storage fee.

12. Limited Warranty

The Vendor provides a limited warranty for the goods and services sold and for the maintenance work to be done under the contract according to the following terms:

12.1. New products

Every product manufactured and sold by Vendor is warranted to the original purchase, to be free from defects in material and workmanship under normal use, subject to the conditions and requirements in this limited warranty form.

The product warranty period is:

New THOMMEN AIRCRAFT EQUIPMENT products:
24 (twenty-four) months from date of invoice

For new third-party products purchased and resold by Vendor to complement a product manufactured by Vendor, the warranty terms and conditions set forth by the original manufacturer shall apply.

12.2. **Maintained products (repaired–modified–overhauled–inspected/tested)**

Every product maintained by Vendor is warranted to be free from defects in material and workmanship, under normal use.

The warranty period for maintenance work is:

Any maintained product has 6 (six) months warranty from date of invoice and only for the replaced component.

12.3. **Exclusions**

Excluded from any warranty are:

- Bench tests and calibrations performed by Vendor, unless done in conjunction with repair work or overhauls performed by Vendor.
- Defects resulting from improper storage, wear, tear, excessive loading, the use of unsuitable media, the influence of chemical or electrolytic action, aircraft incidents or accidents, misuse, mishandling, contamination, negligence, intentional / accidental damage, and any other reason beyond the control of the Vendor
- Defects resulting from failure by Purchaser, in sole judgement of Vendor, to observe the operating, maintenance, storage, or installation instructions, or any other technical publication issued by Vendor.
Vendor shall not be obliged to forward new revisions of such publications, or any additional publications such as, but not limited to, Service Bulletins or Airworthiness Directives, to Purchaser. Purchaser shall be responsible to regularly check Vendor's official web page, or inquire at Vendors' technical support, for new technical publications.
- Defects resulting from improper maintenance.
All maintenance must be carried out in accordance with Vendor's maintenance instructions and be performed by either Vendor or an authorized service center officially approved by Vendor, unless agreed otherwise in writing between Vendor and Purchaser.
- If the seals or leads of the product are removed or damaged by an illicit intervention, or if the product has been opened, serviced, modified or altered without written authorization by Vendor, warranty claims may be rejected at sole discretion of Vendor.
- Vendor's liability shall cease if the Purchaser or third party undertakes changes or repairs to the goods without the Vendor's written consent; likewise if the Purchaser does not take immediate steps to prevent the damage from becoming more serious when the Vendor is able to rectify the defect.
- Vendor may decline a warranty claim if the Purchaser does not provide, in the sole judgement of the Vendor, a report stating all details necessary to determine the reasons for a defect.

12.4. Procedure of warranty claim

Purchaser shall contact Vendor's sales department or customer support to discuss the return procedure prior to sending in a product and claiming warranty. When sending in a product, Purchaser must include its warranty claim (describing the defect in reasonable detail) and a receipt of purchase of the product.

12.5. Remedy

The remedy provided in this clause shall be the sole remedy available to the Purchaser in case of a breach of this limited warranty or any other defect or breach of warranty in the sense of articles 197 or 368 of the Swiss Code of Obligations. Any remedy under statutory law, including, without limitation, rescission, refusal of acceptance and reduction, shall therefore be excluded.

12.6. Warranty shipping cost responsibility

Any goods for which warranty is claimed, must be returned to the Vendor for consideration.

The Purchaser shall bear the cost of shipping any goods back to the Vendor for consideration of a warranty claim.

The Vendor shall bear the cost of shipping any goods back to the Purchaser only if the warranty claim is upheld and valid.

The Purchaser shall bear the cost of shipping any goods back from the Vendor for any warranty claim that is not upheld and therefore not valid.

The Purchaser shall also bear any cost of associated fees such as customs fees and taxes while returning a shipment for consideration of a warranty claim to Vendor and back from Vendor for any warranty claim that is not upheld nor valid.

13. Confidentiality

The parties shall treat as confidential all information and documents such as drawings, specifications, parts lists, schematics, etc. and shall use them exclusively for the purpose of fulfilling the purpose of the contract concluded. The parties shall also ensure confidential treatment by their employees and specialists. In case of doubt, such information and documents shall be treated confidentially.

Information may not be disclosed to third parties without the consent of the other party.

14. Ethics Policy

TAE pursues an ethical business policy in compliance with strict corporate governance rules and look to all members to meet these standards and to maintain the reputation of TAE by following this Code of Ethics and Conduct. As well, this Policy is available on the Company's website: www.thommen.aero. The management and employees of TAE see the content of the "Ethic Policy" as a guide to ethical decision-making and the Policy sets down the principles which all members should follow in the course of their professional duties.

15. Severability clause

If a provision of the contract proves to be null and void, all other provisions shall remain unaffected.

16. Liability

The Parties agree that the liability of TAE and its officers, directors, employees and affiliates for any claim, damage, loss or expense caused by TAE is excluded except in case of gross negligence or wilful misconduct of TAE. The parties further agree that any liability of TAE for its employees, suppliers or subcontractors ("Hilfspersonen" in the sense of Article 101 section 2 of the Swiss Code of Obligations) is excluded.

17. Place of Performance and Jurisdiction, Law Applicable

The place of performance for both Purchaser and Vendor and the exclusive place of jurisdiction for all disputes is the registered address of the Vendor. However, the Vendor shall also have the right to sue at Purchaser's domicile.

The contract including these General Conditions of Supply shall be governed by Swiss law. The United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) is expressly excluded.

18. Validity

These General Terms and Conditions shall be binding if declared applicable in the quotation, proforma invoice or order confirmation.

The German version of TAE's General Terms and Conditions is a translation of the present original General Terms and Conditions. In case of discrepancy, the English original will prevail.

Other terms, conditions or requirements stipulated by the Purchaser shall only be valid if they are expressly acknowledged in writing by the Vendor.

Legend:

GTC	General Terms and Conditions
DAP	Delivered at Place
TAE	Thommen Aircraft Equipment AG