

General Terms and Conditions of Purchase (GCP)
of THOMMEN AIRCRAFT EQUIPMENT AG

Muttenz, January 2022

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1. Scope of application and validity

- 1.1 These GCP regulate the conclusion, content and execution of purchase and similar procurement contracts of Thommen Aircraft Equipment AG (hereinafter abbreviated to «TAE»). Unless otherwise agreed, the General Terms and Conditions of Purchase shall apply also to contracts for the procurement of services.
- 1.2 These GCP shall be deemed accepted when the Supplier submits a quotation to TAE or confirms an order from TAE. General terms and conditions of the Supplier are excluded.
- 1.3 The German version of the General Terms and Conditions (GCP) is a translation of the original in English. In case of discrepancy, the English original will prevail.

2. Offer and order

- 2.1 The offer shall be free of charge unless otherwise stated in the request for quotation.
- 2.2 The offer shall be binding for the period stated in the request for quotation or in the offer. In the absence of such information, the Supplier shall remain bound for a period of 4 months from the date of the offer.
- 2.3 If the offer differs from the request for quotation, the supplier shall expressly point this out.
- 2.4 Orders shall only be binding if they are placed in writing or by electronic transfer.

3. Order confirmation

- 3.1 Direct written orders placed by TAE with the Supplier shall be confirmed in writing by the Supplier to TAE within 2 days, stating the order number, TAE article number, quantity and delivery date and enclosing the order documents of TAE.
- 3.2 As long as the Supplier has not confirmed the order in writing, TAE is free to revoke the order without the Supplier being able to derive any claims from this.
- 3.3 Electronic communications comply with the required written form.

4. Terms of payment

- 4.1 Unless otherwise agreed, payments are due upon receipt. TAE shall settle invoices issued after the due date within 60 calendar days of receipt of the invoice.
- 4.2 Should defects in the delivery occur or have been discovered within this period, TAE shall have a right of retention and the claim shall not become due until the final rectification of the defect or until the faultless replacement delivery.
- 4.3 TAE reserves the right to return incorrect, unverifiable invoices for correction. The payment period shall start anew with the corrected invoice.
- 4.4 If partial payments (down payments and payments on account) are agreed, TAE may demand securities from the Supplier at the Supplier's expense.

5. Execution

- 5.1 The Supplier shall regularly inform TAE about the progress of the work and in particular obtain all necessary specifications. The Supplier shall immediately notify TAE of any circumstances that could jeopardize the contractual performance. This also includes changes of production sites, subcontractors and sub-suppliers.
- 5.2 If it is necessary to enter a site of TAE for the execution, the Supplier shall comply with the operational regulations of TAE, in particular the safety regulations and the company rules.

6. Involvement of subcontractors

- 6.1 TAE may oblige the Supplier to engage a specific subcontractor. In this case, TAE shall bear the consequences for the defective performance of the subcontractor, if the Supplier proves that it has deployed the subcontractor correctly and supervised it strictly.
- 6.2 The Supplier shall disclose its subcontractors upon TAE's request.

7. Changes in performance

- 7.1 The Supplier may not make any changes to the goods, the manufacturing process, the manufacturing location, the raw material, etc. without the prior written consent of TAE. The Supplier shall manufacture parts in accordance with the drawings, specifications, parts lists, schematics, etc. provided by TAE. In the event of a not agreed modification or deviation from the specifications, the costs for replacement, modifications, examinations, etc. shall be borne by the supplier.
- 7.2 If the supplier undertakes significant changes (e.g. sales or abandonment of divisions / business areas, discontinuation of components, product groups or services, personnel changes in key functions, etc., changes in the ownership structure, etc.), TAE shall be informed in writing and within 15 working days, in particular if aviation law requirements are or could be affected.
- 7.3 The parties may request changes to the agreed services in writing at any time. If TAE requests a change, the Supplier shall inform TAE in writing within 14 calendar days whether the change is possible and what effects it will have on the services to be provided as well as on the remuneration and the deadlines. TAE shall decide within the same period whether the change is to be implemented. If the Supplier wishes a change, TAE shall accept or reject the justified request within the same period.
- 7.4 The Supplier may not refuse to accept a change request from TAE if the change is objectively possible and the overall character of the services to be provided remains intact.
- 7.5 The change in performance and any adjustments to remuneration, deadlines and other contractual points shall be recorded in writing in an addendum to the contract prior to execution. The adjustment of the remuneration shall be calculated according to the rates of the original cost basis.
- 7.6 In the absence of any agreement to the contrary, the Supplier shall continue its work as scheduled during the review of proposed changes.

8. Delay in delivery

- 8.1 The Supplier shall be in default of delivery even without a reminder as soon as the agreed delivery date is exceeded. Acceptance of a delivery shall not constitute a waiver of claims for damages arising from default in delivery.

- 8.2 TAE must be notified immediately in writing of any emerging delay on the part of the Supplier.
- 8.3 No partial or advance deliveries may be made without the written consent of TAE.
- 8.4 Deliveries of goods that deviate from the confirmed delivery date are registered into the system and included in the evaluations of the supplier.
- 8.5 If the Supplier is in default, he shall owe a payment of 1% of the total remuneration per week of delay, but at least CHF 100.00 per week of delay (1 week = 5 working days), but in total not more than 10% of the total remuneration. It shall also be owed if the services are accepted without reservation. This payment does not release the supplier from the other contractual obligations; however, it will be credited against the compensation to be paid. This is subject to TAE's own fault and force majeure (subcontractors are not considered as force majeure).

9. Place of delivery, transportation and packaging

- 9.1 Unless otherwise agreed, MuttENZ (BL) shall be the place of delivery. Deliveries shall be made "free of charge" (DDP Hofackerstrasse 48, MuttENZ BL, according to INCOTERMS 2020).
- 9.2 The Supplier shall enclose a shipping bill with each shipment stating TAE's corresponding order number and shall issue all necessary shipping documents.
- 9.3 If the Supplier deviates from the shipping method specified by TAE in the purchase contract, the Supplier shall bear the transport costs of the affected shipment. These costs will be deducted from the invoice.
- 9.4 Benefits and risks shall be transferred upon inspection or, if applicable, acceptance of the subject of the contract by TAE.
- 9.5 Deliveries from suppliers and sub-suppliers are subject to our quality assurance system according to AS/EN 9100. Our suppliers and sub-suppliers are evaluated accordingly.
- 9.6 The packaging shall be adapted to the goods and the intended mode of transport. Environmentally friendly packaging materials are to be preferred. Losses of and damage to goods caused by inadequate packaging shall be borne by the supplier.

10. Certificate of Conformity (COC) and storage of documents

- 10.1 If a certificate of conformity (COC) is required from the supplier when TAE places an order, this must be enclosed with the delivery of goods to TAE or sent in advance in electronic form. The COC document must contain the following information:
 - a) Order number of TAE
 - b) Article number of TAE
 - c) Delivery quantity
 - d) Confirmation
 - e) Issuer with signature
 - f) Date of issue
- 10.2 Orders from TAE that include a First Article Inspection (FAI) must also be accompanied by the following documents:
 - a) Material certificate
 - b) Test report

- 10.3 If the necessary accompanying documents such as COC, certificates, test reports, delivery notes, etc. are missing, incorrect or incomplete when TAE receives the goods, TAE will store the contractual item at the Supplier's expense and risk. The supplier will also be assessed accordingly.
- 10.4 Unless otherwise agreed, the documents mentioned in Clause 10 will be provided by the Supplier free of charge.
- 10.5 Documents kept by the supplier, such as test reports, material certificates, certificates of conformity and special approvals, must be stored in a suitable environment and remain legible throughout the storage period.
- 10.6 The documents mentioned in Clause 10.5 must be stored for a period of at least 10 years after delivery of the items. The documents must be sent no later than 24 hours after the request by TAE.

11. Access, inspection and participation rights

- 11.1 Upon acceptance of the order, the Supplier shall grant TAE, its customers, or aviation authorities European Aviation Safety Agency (EASA) and Federal Office of Civil Aviation (FOCA) as well as other authorities, if any, access to its premises and inspection of all documentation relevant to the order (electronic and/or paper).
- 11.2 TAE is entitled to carry out supplier audits at the supplier or its sub-suppliers at the first opportunity after prior notification, to check the quality assurance.
- 11.3 The supplier or sub-supplier undertakes to allow and enable the audits required by TAE and to provide the necessary support.

12. Provisions by TAE

- 12.1 Materials, samples, drawings, equipment such as test equipment, gauges and tools provided by TAE shall remain its property and shall be designated and segregated as such (until any installation or consumption).
- 12.2 As long as the provisions are located at the Supplier's premises, the Supplier shall inventory and carefully store the provisions. Upon TAE's request, the Supplier shall provide an updated inventory of the provisions.
- 12.3 The provisions may only be used as agreed. Unless otherwise provided for, they must be returned to TAE without request and free of charge after fulfilment of the contract.

13. Right of withdrawal

- 13.1 TAE is entitled to withdraw from the order in whole or in part at any time. Such withdrawal shall be notified to the Supplier by TAE in writing.
- 13.2 In such a case, the Supplier shall only be entitled to compensation for work demonstrably performed or expenses incurred (including a reasonable profit margin, unless such withdrawal is due to a breach of contract, non-performance or poor performance by the Supplier).
- 13.3 TAE shall only be obligated to pay claims pursuant to Clause 13.2 to the extent that the Supplier transfers to it the work commenced free of rights or claims of third parties.

14. Inspection, quality assurance, warranty and defects

- 14.1 The supplier shall inspect the quantity and quality of the goods before shipment.
- 14.2 The delivered goods shall be inspected as soon as possible after receipt, at the latest during further processing or commissioning, and the Supplier shall be notified immediately of any defects. However, the supplier undertakes to accept notifications of defects as raised in good time during the entire warranty period, regardless of compliance with any period allowed for examination and sending notice of a defect or deficiency.
- 14.3 The warranty period is 2 years starting from acceptance. The supplier provides a guarantee for the entire guarantee period, regardless of when the defect arose. TAE is entitled to withhold payment in whole or in part until the supplier has fulfilled his obligation to deliver faultless replacement goods or the situation regarding compensation for damages has been clarified.
- 14.4 The Supplier guarantees as a specialist and in knowledge of the intended use that the subject matter of the contract has the agreed material and legal properties and is fit for the intended use during the entire warranty period. The Supplier expressly guarantees that it is entitled to use the subject matter of the contract and the services to TAE and that the use of the subject matter of the contract is not opposed by any legally effective rights of third parties.
- 14.5 The expiration / expiry of a certificate without planned recertification must be communicated to TAE at least three months before the expiry date. New certificates / recertifications shall be sent to TAE without being requested within 30 calendar days of the certificate being issued. The revocation of a certificate shall be reported to TAE without delay. The implementation of these requirements for the supplier shall be included in the evaluation accordingly.
- 14.6 In the event that the Supplier has ISO certifications or the Supplier has signed a "Quality Assurance Agreement" (QAA), these shall constitute a confirmation of the implementation of all resulting obligations of the Supplier.
- 14.7 In the case of sales contracts, a replacement delivery free of charge shall be deemed equivalent to a remedy free of charge.
- 14.8 Deliveries of spare parts, maintenance and servicing by the Supplier during the warranty period shall be deemed to constitute rectification of defects, unless the Supplier proves otherwise.
- 14.9 If the defects and deviations are not successfully rectified by the Supplier within the set rectification period, TAE shall be entitled to either to remedy the defects itself at the Supplier's expense or to have them remedied by a third party or to make a corresponding price deduction for the reduced value of the delivery.

15. Counterfeit Parts prevention

- 15.1 The Supplier shall establish and implement a process for the avoidance, detection, mitigation and disposition of Counterfeit Parts.
- 15.2 The Supplier shall not deliver counterfeit, suspected unapproved and / or stolen parts to Thommen Aircraft Equipment. The Supplier shall procure components only from the original manufacturer or the original manufacturer's franchised distributor. In particular for electronic components, the Supplier shall comply with the provisions of the aerospace standard AS5553.
- 15.3 The Supplier shall provide information immediately to the Purchaser about potential alerts regarding problems (e.g. counterfeit parts) related to components, raw materials, sub-assemblies, processes or similar products/services as those delivered to the Purchaser.

- 15.4 Product identified as counterfeit shall not be returned to the external provider and shall be controlled and disposed of as scrap.
- 15.5 TAE reserves the right to hold the supplier fully liable for expenses and circumstances in relation to Counterfeit Parts.

16. Force majeure

- 16.1 If, in cases of force majeure, TAE is prevented or significantly impeded from fulfilling its contractual obligations, or make use of the goods, TAE may cancel the contract in whole or in part or demand execution at a later date.
- 16.2 TAE shall not be liable for the complete or partial non-performance of the contract due to events of force majeure.
- 16.3 Force majeure is understood to mean circumstances that occur after the conclusion of the contract, are unforeseeable and are beyond the control of TAE.

17. Confidentiality

- 17.1 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.
- 17.2 Information may not be disclosed to third parties without the consent of the other party.
- 17.3 If a party violates the above confidentiality obligations, it shall, unless otherwise agreed, owe the other party a payment, unless it proves that it is not at fault. This payment shall amount to 20% of the total remuneration in the case of sales contracts and similar contracts or 30% of the annual remuneration in the case of continuing obligations, but in total not more than CHF 100,000.00 per case. This payment does not release the breaching party from the obligation to maintain secrecy; however, it will be offset against the damages to be paid. Possible consequences under criminal law remain reserved.

18. Ethics Policy

- 18.1 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.

19. Severability clause

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

20. Data protection

- 20.1 TAE is entitled to process and store the data about the Supplier received in connection with the business relationship within the scope of the Swiss Data Protection Act.

21. Applicable law and place of jurisdiction

- 21.1 Swiss law shall apply to this contract including these GPCs with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods from August 11, 1980 (CISG).
- 21.2 Exclusive place of jurisdiction shall be MuttENZ (BL). However, TAE reserves the right to sue the Supplier also at the Supplier's place of business.

Legend:

CISG	United Nations Convention on Contracts for the International Sale of Goods
COC	Certificate of Compliance
DDP	Delivered Duty Paid
FAI	First Article Inspection
OEM	Original Equipment Manufacturer
FOCA	Federal Office of Civil Aviation
GCP	General Terms and Conditions of Purchase
QAA	Quality Assurance Agreement
SUP	Suspected unapproved or counterfeit parts
TAE	Thommen Aircraft Equipment AG