

General purchasing terms and conditions of the SACS Boysen Aerospace U.S., Inc., 3050 W. Story Road, Irving, TX 75038, USA:

I. General information

1. These terms and conditions (the "Terms") are the only terms which govern the purchase of the goods and services (collectively the "Products") by SACS Boysen Aerospace U.S., Inc. ("SBUS" or the "Company") from the supplier named in the Purchase Order, as defined herein, ("Supplier"). These Terms shall apply to standing business relationships or agreements, including any future relationships, until the Company's new terms and conditions are in effect. Notwithstanding anything herein to the contrary, if a written agreement signed by both parties hereto is in existence covering the sale of the Products covered hereby, the terms and conditions of said contract shall prevail to the extent they are inconsistent with these Terms. The parties involved should evaluate their business with respect to its ethical implications.
2. The accompanying purchase order (the "Purchase Order") and these Terms (collectively, this "Agreement") comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Supplier's terms and conditions regardless whether or when Supplier has submitted its sales confirmation or such terms. This Agreement expressly limits Supplier's acceptance to the terms of this Agreement. Fulfillment of this Purchase Order constitutes acceptance of these Terms.

II. Offer

Supplier shall expressly mark in its offer (each an "Offer") any deviations from Company's inquiry. Any Offer shall be prepared at no charge to SBUS and remain valid for no less than thirty (30) days. The price of the Products is the price stated in the Purchase Order (the "Price"). Unless otherwise specified in the Purchase Order, the Price includes all packaging, transportation costs, insurance, customs duties and fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. Unless otherwise requested by SBUS, the Price shall be in U.S. Dollars. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of SBUS. SBUS reserve all ownership and copyrights to documents, samples, tools and other items that SBUS provided to Supplier for the purpose of making an Offer. If no Offer is submitted or the order has been completed, Supplier must return all items mentioned herein to SBUS at no cost.

III. Order

1. Any Purchase Order must be accepted within seven (7) days after receipt using written confirmation, including at least the binding delivery times and Prices. Only order confirmations submitted in writing are legally binding. Subsequent changes or supplements may only be agreed to by a member of SBUS' management or an individual with express authorization.
2. Call-off orders become binding if not disputed within one (1) week after receipt. Framework agreements only allow acquisition of preliminary material to the necessary extent. Preparation of parts for call-off orders is not allowed until the call-off order has been received. If Supplier changes its signature authority or its forms, it bears the risk that SBUS may not accept any Product and the risk for any defects or damage caused by such non-acceptance.
3. Deviations in quantity or quality from a Purchase Order are void and null unless SBUS provides prior written consent.
4. Prior to a Purchase Order being carried out, SBUS may request changes in design, amounts delivered and delivery time in coordination with Suppliers. Any effects of such a change must be agreed upon in writing by the parties hereto. If no agreement is reached, SBUS has the right to cancel the Purchase Order. In case of a cancellation hereunder, SBUS shall reimburse Supplier for any reasonable cost incurred relating to the Purchase Order.
5. Unless otherwise agreed to by SBUS in writing, Supplier shall not alter or change its processes concerning the manufacture of the Products or any other performance hereunder.
6. Drawings, tools, samples, models, brands, presentation and similar items as well as finished products or semi-finished products provided by SBUS or produced for SBUS become or remain our exclusive property and may be provided to third parties only with SBUS' express prior written consent. Unless otherwise agreed to in writing, Supplier shall promptly return any of the aforesaid after completion of the Purchase Order or at any time upon SBUS' request.

IV. Delivery schedules, deadlines, and delay

1. Delivery schedules and deadlines in Purchase Order and related call-off orders are binding. The time of delivery to the Company's facilities is the determining factor for whether the schedules or deadlines have been met. Partial deliveries are void and null, unless previously agreed to in writing by SBUS. Supplier shall inform SBUS immediately in writing of difficulties preventing timely deliveries, including the reason(s) and expected duration of such delay. Supplier shall be liable for any and all direct or indirect damages resulting from its failure to timely notify SBUS of any delays.
2. Any agreed upon schedules may be altered by SBUS as a result of changes to subsequent order requirements. In case of a termination, SBUS may retain partial deliveries in exchange for reasonable payment therefor.
3. In case of any unwarranted delays, SBUS is entitled to a reductions in the Price of Zero Point Five Percent (0.5%) of the Price per week.
4. SBUS may reject any Products delivered prior to a delivery date.
5. If SBUS cannot accept something in a timely fashion due to Force Majeure Event, as defined herein, or other unforeseeable obstacles or obstacles that SBUS cannot affect and which affect the acceptance of the Products, the due date for acceptance will be reasonably extended and there will be no delay in acceptance.

V. Transportation and transfer of risk

1. Supplier shall be responsible for any and all charges associates with the delivery of the Products. Supplier shall include SBUS' order number on all shipping papers and delivery notes. Supplier shall be responsible for any delays, additional costs and damage caused by a failure to comply with SBUS' shipping rules. Supplier must select the packaging indicated by SBUS and ensure that the Products are protected by the packaging against damage. Unless SBUS provide instructions on packaging, the Products must be packaged in accordance with generally acceptable industry standards. Supplier shall be liable for loss and damage that occurs during transport, including unloading, until acceptance in SBUS' facilities. Supplier shall maintain adequate insurance coverage to protect against any damages outlined in these Terms. In case SBUS will bear shipping cost, Supplier shall choose the most economic method of delivery. In case Products are returned, no less than two thirds (2/3) of the amount charged for delivery must be credited to SBUS.
2. Title and risk loss transfer to SBUS upon accepted delivery to the address set forth in the Purchase Order or when set up and accepted in SBUS' facilities. Until their delivery, the Products must be stored at no charge to SBUS and at the Supplier's sole risk.

VI. Price, payment

1. The Price is set forth in the Purchase Order, and may only be lowered without prior written consent of SBUS.
2. Supplier shall offer Products to SBUS on most favored pricing terms for substantially similar volumes of substantially similar products and services.
3. Supplier shall issue separate invoices for each Purchase Order. SBUS shall pay invoices within thirty (30) days of acceptance of the Products or correction of any defects thereto, whichever is later. Subject to the parties' agreement on a discount for payment, time delays caused by inaccurate or incomplete invoices shall not affect any due dates for such discounts. The applicable date for a discount due date is the date of delivery or the date the invoice was received, whichever is later.

VII. Documentation

1. Delivery notes must be attached as an uncertified copy to each shipment, and it is preferred that invoices be sent separately by mail at the same time the Products are shipped. Both of these documents must contain: transaction number, order number, order date, ordering department or orderer, amount delivered and delivery unit, SBUS' article designator with article numbers, and remaining amount if it is a permitted partial delivery. If the aforesaid documents are missing information, they are considered not received.
2. For freight shipments, Supplier shall send a separate notice of shipment to SBUS on the date of the shipment.

VIII. Quality, quality assurance

1. Supplier shall comply with all applicable laws and regulations. All deliveries must meet the most up-to-date standards (DIN, EN, ISO, LN, VDE, EU, etc.), plant standards and the general industry standards unless expressly agreed otherwise in writing. Supplier is obligated to maintain a quality management system based on ISO 9000 et seq. and ISO 9100 et seq. with an obligation of setting a zero-defect goal and continuing improvement of its performance. Supplier undertakes to maintain a comparable quality management system with its sub-suppliers that will ensure defect-free condition of its purchased parts and/or parts processed by outside entities. Details must be governed in the individual agreements on quality in writing between the parties. SBUS may also request for Supplier to agree to and enter into a quality assurance agreement with SACS Boysen Aerospace Group.
2. Any deviations from specified parameters, are subject to SBUS prior written consent. Without such consent, Company shall not delivery any deviating Products to SBUS. Supplier shall timely submit deviation proposals to SBUS for a written approval. Any approved deviating Products shall be clearly labeled as such and include information regarding the deviations. In case Supplier determines that a Product deviates from the agreed upon parameters after its delivery, Supplier shall promptly inform SBUS of such deviations and planned actions to remediate such deviations. In addition, Supplier must initiate and document steps to ensure that after the approved construction deviation period has expired, Products meeting specifications shall again be delivered. Records of the deviation process (determination of the error, finding the causes, corrective steps and checking the effectiveness) must be maintained by Supplier and provided to SBUS upon request. All proposals made to SBUS for changes will be internally checked and, if applicable, the necessary changes or supplements to specification documents resulting therefrom will be determined/implemented. Process changes may not be made under any circumstances without an inquiry and prior written approval from SBUS.
3. SBUS, its clients and the agencies having jurisdiction will have the opportunity to verify a Supplier's quality ability by visiting its plant. The scope of the plant visit will be coordinated with the Supplier prior to the visit.

IX. Warranties

1. Supplier warrants to SBUS that for a period set forth in its warranty, but in no case less than twelve (12) months from the accepted delivery date of the Products, all Product will: (a) be free from any defects in workmanship, material and design, (b) conform to applicable specifications, (c) be fit for their intended purpose and operate as intended, (d) be merchantable, (e) be free and clear of all liens, security interests or other encumbrances, and (f) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Products by SBUS. Supplier further warrants to SBUS that it shall perform any services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement.
2. The warranties set forth in this Section 9 are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of SBUS' discovery of the noncompliance of the Products with the foregoing warranties. If SBUS gives Supplier notice of noncompliance pursuant to this Section, Supplier shall, at its own cost and expense, promptly (a) replace or repair the defective or nonconforming Products and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Supplier and the delivery of repaired or replacement Products to SBUS, and, if applicable, (b) repair or re-perform the applicable services

X. Inspection and Acceptance

1. If there is nothing agreed upon in a quality assurance agreements, deliveries are to be examined by SBUS within a reasonable period for obvious quality or quantity deviations. A complaint of a defect made by SBUS is timely if it is received by Supplier within seven (7) business days, counted from the time of delivery or, in the case of hidden defects, from the time they are discovered. For pass-through transactions, complaints are assigned to the final recipient. We reserve the right to charge costs associated with complaining of a defect to Supplier if there is a complaint. Supplier will bear the costs and risks for return of defective Products delivered.
2. If SBUS recalls products produced and/or sold by SBUS due to defects in the items delivered to SBUS by Supplier, or if the purchase price due to SBUS is reduced for that reason or if a claim is otherwise made against SBUS, SBUS reserves the right to seek redress against Supplier without a need to set any deadline that might otherwise be required to exercise our rights associated with defects.
3. Supplier shall reimburse SBUS for any and all cost associated with SBUS' clients claim for reimbursement of expenses needed for follow-on performance, particularly transportation costs, road fees, labor and materials costs.
4. In case a material defect occurs within six (6) months after transfer of risk, such a defect is treated as if it had occurred at the time of delivery.

XI. Product liability, insurance protection

1. Supplier shall defend, indemnify and hold harmless SBUS and SBUS' parent company, their subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees (collectively, "Indemnitees") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or occurring in connection with the Products purchased from Supplier or Supplier's negligence, willful misconduct or breach of the Terms. Supplier shall not enter into any settlement without SBUS' prior written consent.

- Supplier shall, at its expense, defend, indemnify and hold harmless SBUS and any Indemnitee against any and all Losses arising out of or in connection with any claim that SBUS' or Indemnitee's use or possession of the Products infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Supplier enter into any settlement without SBUS' or Indemnitee's prior written consent.
- Nothing in this Agreement shall exclude or limit (a) Supplier's liability hereunder, or (b) Supplier's liability for fraud, personal injury or death caused by its negligence or willful misconduct.

XII. Termination

In addition to any remedies that may be provided under these Terms, SBUS may terminate this Agreement with immediate effect upon written notice to the Supplier, either before or after the acceptance of the Products, if Supplier has not performed or complied with any of these Terms, in whole or in part. If the Supplier becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors or experiences a substantial deterioration of its assets, then SBUS may terminate this Agreement upon written notice to Supplier. If SBUS terminates the Agreement for any reason, Supplier's sole and exclusive remedy is payment for the Products received and accepted by SBUS prior to the termination.

XIII. Insurance

During the term of this Agreement and for a period of twelve (12) months thereafter, Supplier shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to, commercial general liability (including product liability) with financially sound and reputable insurers. Upon SBUS' request, Supplier shall provide SBUS with a certificate of insurance from Supplier's insurer evidencing the insurance coverage specified in these Terms. The certificate of insurance shall name SBUS as an additional insured. Supplier shall provide SBUS with thirty (30) days' advance written notice in the event of a cancellation or material change in Supplier's insurance policy. Except where prohibited by law, Supplier shall require its insurer to waive all rights of subrogation against Supplier's insurers and Supplier.

XIV. Force majeure

Neither party shall be liable to the other for any delay or failure in performing its obligations under this Agreement to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist acts, riots, strike, embargoes or industrial disturbances. Supplier's economic hardship or changes in market conditions are not considered Force Majeure Events. Supplier shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under this Agreement. If a Force Majeure Event prevents Supplier from carrying out its obligations under this Agreement for a continuous period of more than two (2) weeks, SBUS may terminate this Agreement immediately by giving written notice to Supplier. SBUS shall not be liable for any damages caused to Supplier as a result of a Force Majeure Event.

XV. Tools and Models

If the Purchase Order entails SBUS assuming tooling or model costs, Supplier will order the tools and models for SBUS such that SBUS may obtain unencumbered, unconditional sole ownership of them (collectively "Models"). The Models will be provided to Supplier to use in carrying out the Purchase Order. Supplier is obligated to use the Models solely to produce the Products. Supplier is obligated to insure the Models at its own expense against damage from fire, water, wind, burglary, theft and vandalism. Supplier will assign any claims for damages derived from this insurance policy to SBUS. Supplier is obligated to do maintain, repair and inspect the Models at its own expense. If SBUS make items available to Supplier hereunder, SBUS retains exclusive ownership thereof. Processing or transformation of Models performed by Supplier and agreed upon is exclusively performed for SBUS. Any created, combined or other items resulting of such actions, are the exclusive property of SBUS. Regardless of any other factors, Supplier will transfer and assign all rights to such items to SBUS. Supplier shall perform any required actions hereunder at its sole expense.

XVI. Confidential Information

- All non-public, confidential or proprietary information of SBUS, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by SBUS to Supplier, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Agreement is confidential, solely for the purpose of performing this Agreement and may not be disclosed or copied unless authorized in advance by SBUS in writing. Upon SBUS' request, Supplier shall promptly return all documents and other materials received from SBUS. SBUS shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Supplier at the time of disclosure; or (c) rightfully obtained by Supplier on a non-confidential basis from a third party.
- Supplier shall ensure that its personnel, agents, representatives and authorized sup-suppliers comply with the obligations set forth in this Section 16.

XVII. Passing on orders

Passing on orders or substantial parts thereof to third parties without SBUS' prior written permission is not permitted and entitle SBUS to terminate the Agreement, either in whole or in part. Any termination hereunder does not constitute a waiver of any right SBUS may have for damages resulting from Supplier's actions.

XVIII. Assignment

Supplier shall not assign, transfer, delegate or subcontract any of its rights or obligations under this Agreement without the prior written consent of SBUS. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Supplier of any of its obligations hereunder. SBUS may at any time assign or transfer any or all of its rights or obligations under this Agreement without Supplier's prior written consent to any affiliate or to any person acquiring all or substantially all of SBUS' assets.

XIX. Relationship of the Parties

The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

XX. No Third-Party Beneficiaries

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

XXI. Notices

Unless notice specifically allows email as provided in such section, all communications or notices required or permitted hereunder shall be in writing and shall be deemed to have been given (i) on the date of personal delivery to an officer of or personally to the other party, or (ii) the day following deposit when properly deposited for overnight delivery with a nationally recognized commercial overnight delivery service, prepaid, and addressed as provided in the Terms or Purchase Order, unless and until either of such parties notifies the other in accordance with this Section 21 of a change of address.

XXII. Waiver

No waiver by SBUS of any of the provisions herein is effective unless explicitly set forth in writing and signed by SBUS. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from the Terms operates or may be construed as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

XXIII. Survival

Provisions of the Terms, which by their nature should apply beyond their terms, will remain in force after any termination or expiration the relationship between the parties hereto.

XXIV. Governing Law

Any claims, disputes or controversies arising between the parties hereunder shall be governed by and construed in accordance with the internal laws of the State of Texas, without regard to conflicts of laws that would require the application of the laws of another jurisdiction.

XXV. Dispute Resolution

The parties shall attempt to resolve any dispute, controversy, or claim arising under or relating to the Terms, or to a material breach, including its interpretation, performance, or termination. If the parties are unable to resolve such dispute, either party may refer the dispute to arbitration. The arbitration shall be conducted in accordance with the Commercial Rules of the American Arbitration Association, which shall administer the arbitration and act as appointing authority. The arbitration, including the rendering of the decision and/or award, shall take place in Irving, Texas, and shall be the exclusive forum for resolving the dispute, controversy, or claim. The arbitrator shall make the final determination as to any discovery disputes between the parties. The award or decision of the arbitrator shall state the reasons upon which the award or decision is based, and shall be final and binding upon the parties. The prevailing party shall be entitled to compensation for the expense of the arbitration, including, but not limited to, the award of reasonable attorneys' fees, at the discretion of the arbitrator. Both parties waive their right to any appeal under any system of law. The award shall be enforceable before any court of competent jurisdiction upon the application to such court by either party. The arbitrator shall have no authority to award any of the types of damages excluded by hereunder, and shall be so instructed by the parties.

XXVI. Severability

If any provision of these Terms is invalid, illegal, void or unenforceable, then that provision will be deemed severed from these Terms and will not affect the validity or enforceability of the remaining provisions of these Terms.

XXVII. Amendment

The Agreement may only be amended or modified in a writing by an authorized representative of SBUS.

SACS Boysen Aerospace U.S. Inc., 01 AUG 2018