

# General Terms and Conditions of Purchase

of EME AERO Sp. z o. o.

(hereinafter each individually referred to as „EME“)

Status: January 15th, 2019

## 1 General

1.1 Any legal relationship between the Supplier and EME shall exclusively be governed by these General Terms and Conditions of Purchase (hereinafter referred to as "TCPs"), unless special conditions expressly agreed in writing upon between EME and the Supplier.

1.2 Supplier's terms and conditions shall not apply and shall not form part of any supply contract between the parties, even if EME has not expressly objected to them in each individual case or the Supplier has declared to deliver only subject to its general terms and conditions.

## 2 Orders and order amendments

2.1 Supply Contracts (purchase order of EME) as well as changes thereof or amendments thereto shall be made in writing under pain of invalidity.

2.2 Supplier is obliged to indicate - in any correspondence in connection with the fulfillment of a Supply Contract - the name and department of the responsible EME Purchasing specialist as well as EME's purchase order number including item number and EME's material number (if applicable).

2.3 Any Supply Contract shall become binding if the Supplier does not reject such Supply Contract within five (5) working days of its receipt. EME has the right to withdraw Supply Contract at any time until it becomes binding.

2.4 To the extent reasonable, EME may demand changes to be made by the Supplier to the subject of purchase order specially relating to design or process. In this case the consequences, especially with respect to additional costs or reduction of costs, as well as with respect to delivery dates, are to be resolved in an appropriate and mutually agreeable manner.

2.5 Supplier shall immediately inform EME in writing of any proposals for alterations of the agreed deliveries and services and of the costs and impacts of such alterations. Such proposals for alterations must only be realized after EME's prior written approval.

2.6 Supplier shall ensure that provided deliveries and services comply with all legal requirements applicable in the Republic of Poland and the European Union and the place of performance, especially with the safety regulations as well as environmental, accident prevention and other health and safety regulations. Furthermore, the Supplier shall notify EME of any special, not commonly known, handling and disposal arrangements that may be required in connection with any delivery or service. The Supplier is obliged to package, label and ship hazardous products in compliance with the applicable national and international laws and regulations. The Supplier undertakes to fulfil all obligations to be performed by the Supplier (as defined in Article 3 (32) Regulation (EC) No. 1907/2006 (hereinafter called "REACH")) with respect to the deliveries and services in accordance with REACH. In particular, the Supplier shall provide EME with a safety data sheet in accordance with Article 31 of REACH in the language of the recipient country in all cases stipulated in Article 31 (1) to (3) of REACH. The Supplier warrants that all substances contained in the deliveries and services have effectively been pre-registered, registered (or exempted from the obligation to register) and, if required, authorized in accordance with the applicable requirements specified in REACH for the uses disclosed by EME. If the deliveries or services are "articles" within the meaning of Article 7 of REACH, the preceding sentence shall apply to the substances released from these deliveries and services. Moreover, the Supplier undertakes to notify EME without delay if any component of the deliveries or services contains a substance in a concentration of more than 0.1 percent per weight if the substance meets the criteria of Articles 57 and 59 of REACH (so-called "substances of very high concern" (SVHCs)). This shall likewise apply to packaging products.

## 3 Furnished Materials

3.1 Materials and objects of any kind furnished by EME (hereinafter referred to as „EME Materials“) shall remain the sole property of EME. Supplier shall take all necessary measures to store and hold in safe custody the EME Materials. Supplier shall label the EME Materials as EME's property and shall use these solely for the purposes designated by EME.

3.2 To the extent that the EME Materials are processed or transformed and thus turned into a new movable item by the Supplier, this processing or transformation shall take place on behalf of EME. EME shall immediately become owner of the new or transformed item. If this is not possible for legal reasons, EME and Supplier hereby agree that EME shall be the owner of the new item at all times during the processing or transformation. If EME Materials are joined or blended with other materials and items at such a rate that these can no longer be separated, EME shall be entitled to co-ownership in the newly created items pro rata of the value the item had at the time they were joined or blended. If EME Materials are joined or blended with material or objects provided by the Supplier itself in such proportion that the result may be regarded as being primarily the property of the Supplier, it shall be deemed to have been agreed that the Supplier confers co-ownership pro rata the value of the input by EME. Supplier shall retain custody of property owned or co-owned by EME at no extra cost and in so doing exercise the duty of care of a merchant.

3.3 Supplier undertakes to carry out any maintenance or inspection work that may be required on EME Materials and to take out adequate insurance cover for them - especially for transports to and from third parties - at Supplier's own costs, and to provide evidence thereof to EME upon EME's request.

## 4 Rights of Use / Industrial Property Rights

4.1 Supplier grants EME the non-exclusive, assignable, royalty-free right, without restriction as to time and location, to use in connection with the usage of the deliveries and services (e.g. repairs or integration in other products) the Supplier's industrial property rights and/or know-how that are contained in the deliveries and services. This right to use shall be granted for all types of uses and shall also apply to items protected by copyright contained in the deliveries and services, especially software and related documentation. This right to use shall comprise the acts according to Copyright and Related Rights Act of 4.02.1994. Backup copies might be made. Supplier shall inform EME immediately of any industrial property rights achieved by the Supplier during the performance of a Supply Contract.

4.2 If the deliveries and services have been developed solely by EME or developed, adapted, tested or assessed jointly by Supplier and EME, the deliveries and services, or component or parts thereof, shall not be supplied to third parties without EME's prior consent. The same shall apply to deliveries that have been developed solely by the Supplier but have been paid for by EME.

4.3 To the extent the Supply Contracts cover research or development work, the rights to all work results achieved by Supplier in the performance of a Supply Contract, including drawings, documents in electronic form, computer programs and technical documents (hereinafter "Development Results") shall be the exclusive property of EME. Development Results shall be disclosed fully and comprehensively to EME. Supplier shall inform EME without delay of any patentable Development Results and shall make any and all information required available to EME. Upon EME's written request, Supplier shall unconditionally claim patentable Development Results developed by its employees in the performance of a Supply Contract by asserting the rights toward the inventor and shall transfer the right to these Development Results to EME without delay. The granting of the aforementioned rights shall be deemed to have been satisfied with the payment of the prices agreed in the Supply Contract.

# General Terms and Conditions of Purchase

of EME AERO Sp. z o. o.

(hereinafter each individually referred to as „EME“)

Status: January 15th, 2019

## 5 Confidentiality

5.1 "Confidential Information" shall be all commercial and technical information, documents, data, knowledge and inventions (whether patentable or not) and in whatever form (verbal, written, digital or embedded in hardware) made accessible to Supplier or obtained by Supplier from EME. This includes but is not limited to design schemes, processes, drawings, specifications, procedures, designs, design data, inspection results, price lists, training documents and catalogs or printer's copies, engineering models (e.g. 3D models), tools, patterns, samples or similar items as well as copyrights or other rights contained in the information or in an application for patents or design patents.

5.2 Supplier shall during and also after termination of its cooperation with EME (a) treat such Confidential Information as confidential (b) not disclose it to third parties, (c) appropriately protect Confidential Information against access by third parties, (d) use Confidential Information only for the purposes of the Supply Contract and (e) make available Confidential Information only to those employees who need to know the Confidential Information for performing this Supply Contract and who have been obligated to confidentiality to the same extent as Supplier itself. If EME agreed to subcontracting to a third party, the Supplier shall ensure that the confidentiality obligations stipulated in this Article 5 will be imposed on such third party. Confidential Information shall at all times remain EME's unrestricted property. Supplier shall have no right whatsoever to retain Confidential Information. The duplication / reproduction of Confidential Information is permissible only within the limits of internal requirements and subject to copyright regulations. The confidentiality obligations mentioned above shall not apply to information that (a) is or becomes publicly known, (b) was known to the Supplier before its disclosure by EME or (c) was demonstrably developed independently or was otherwise lawfully received by Supplier.

5.3 Upon EME's request, Supplier shall promptly return Confidential Information and copies thereof to EME, CIP EME's facility (INCOTERMS 2010).

## 6 Subcontracting

Supplier's subcontracting to third parties is subject to EME's prior written consent; the subcontractors shall be expressly obligated to comply with the requirements set out in Article 5.

## 7 Place of Performance, Shipment, Export Control Conditions

7.1 The place of performance for deliveries and services shall be the place of delivery stated in the Supply Contract. If no such place of delivery is stated in the Supply Contract, EME's headquarters shall be deemed to be the place of performance.

7.2 For deliveries not involving assembly or installation work, the risk shall pass to EME upon receipt of the deliveries at the place of delivery stated by EME in the Supply Contract. For deliveries involving assembly or installation work, the risk shall pass to EME upon EME's final acceptance to be conducted at the place of delivery.

7.3 Shipment shall be in compliance with EME's shipping instructions. Deliveries must be packaged appropriately and conforming with industry practice in consideration of EME's requirements. When transporting goods, the Supplier undertakes to observe all required regulations for materials relevant to flight safety. If applicable, the Supplier shall observe the regulations of the ADR, ATA 300, IATA-DGR, ICAO-TI, IMDG code and RID governing the shipment of such goods. EME shall be entitled to instruct the Supplier as to the type and method of packaging.

7.4 All relevant documents such as delivery notes, certificates etc. must be placed in a shipping envelope and affixed to the outside of the shipment. Supplier shall provide EME with all Manuals, Service Bulletins, Service Information Letters and any other information necessary to enable EME to use, maintain and

repair any supplied goods or services to the extent requested by EME as an electronic data file and without any additional remuneration. The delivery note shall state EME's order number including item number, the name and department of the responsible EME buyer, as well as the delivery date, the date of shipment, the type of packaging, EME's part number (if any), part designation, quantity and weight of the consignment, destination (address of the unloading point), information on any accompanying certificates/documents as well as references to all partial deliveries. In addition the delivery note shall state EME's order number and the delivery note number in barcode (type BC 39).

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 EME to refuse delivery unless the Supplier is not responsible for such non-compliance.

7.5 Supplier is obligated to comply with all applicable export laws and regulations. For each Supply Contract Supplier has to notify EME about the applicable export control classification of the ordered items or services. In justified cases Supplier provides signed "Supplier Export Control Declaration" form to EME. The form is part of the Supply Contract. EME must be informed by Supplier of any changes and/or amendments to the export control classification. Supplier shall apply without delay for the applicable export control licenses or other relevant permits from responsible authorities according to the end use statements or letter of intent issued by EME and provide respective copies to EME.

7.6 Supplier shall ensure supply chain security and observe legal policies and conditions. Supplier is obligated, on EME's request, to provide reasonable evidence, such as certificates or statements of respective internationally recognized initiatives (e.g. AEO, C-TPAT) and to support EME in official audits and ensure a comparable standard of supply chain security towards Supplier's business partners. Supplier has to inform EME immediately about changes or threats of this status. Supplier shall protect the deliveries and services provided to EME or to third parties designated by EME against unauthorized access and manipulation.

## 8 Delivery Dates, Delay in Delivery, Force Majeure

8.1 Agreed delivery dates and delivery times are binding. Timeliness of the deliveries and services is determined by the date at which the deliveries and services are received at the place of delivery stated by EME.

8.2 The Supplier shall notify EME immediately in writing of any delays in delivery that may arise, quoting order number and order item as well as the anticipated delivery date. The receipt of such notification shall not be deemed as an extension of the agreed delivery time unless EME expressly agrees to such an extension in writing. Should no notification be issued or should the notification be incomplete, Supplier shall be held liable for any losses that may subsequently arise and bear responsibility as per point 8.3.

8.3 In the event of delay in delivery, EME shall be entitled, without prejudice to the statutory claims, to demand a penalty equivalent to one (1) percent of the order value according to the Supply Contract for the deliveries and services delayed, for each week or part of a week up to a maximum of ten (10) percent of this order value. EME shall have the right to claim the penalty even after acceptance of the last deliveries and services due under the Supply Contract, provided that EME reserved such right to claim penalties within one (1) month after acceptance of such last delivery and service. Further or additional claims for damages remain unaffected, however, the penalty will be set-off against such claims for damages.

8.4 Cases of force majeure or any other unpredictable, unpreventable and serious events that are beyond the reasonable

# General Terms and Conditions of Purchase

of EME AERO Sp. z o. o.

(hereinafter each individually referred to as „EME“)

Status: January 15th, 2019

control of a party and not attributable to such party, such as industrial conflicts, governmental regulations or acts of governments, acts of god, natural catastrophes, war, riots and terrorist actions (hereinafter referred to as „Force Majeure“) relieve the parties of their contractual duties for the duration of the disruption and within the scope of its effects. Supplier shall immediately inform EME in writing of any default due to Force Majeure, by giving proof and all necessary information. Supplier shall at its own cost take all reasonable measures to perform the Supply Contract nevertheless. If the end of such disruption is not predictable or if such disruption lasts for more than two (2) months, EME shall be entitled to withdraw in total or partially from the affected Supply Contract.

8.5 EME may modify the delivery dates and delivery times stipulated in the Supply Contract, if EME's scheduled need of such deliveries and services is changed e.g. due to update work schedule, delays in production or other kinds of disruption in business. EME shall inform the Supplier in due time of the circumstances compelling the change in the delivery and performance dates. Supplier undertakes to provide the delivery and service in line with such changed delivery or performance dates.

## 9 Prices, Payment Terms, Invoice, Payment, No Assignment

9.1 The prices agreed in the Supply Contract shall apply.

9.2 Unless otherwise specified in the Supply Contract, payment shall be due 30 days from issuing an invoice. Invoice shall be issued only after delivery and/or service date. Payments made by EME shall not be deemed to constitute acceptance of deliveries and/or services as conforming to the Supply Contract.

Invoices for partial quantities or partial services delivered ahead of schedule shall become payable in accordance with payment terms not before the last item on that schedule becomes due for payment and all deliveries under the Supply Contract have been made in full compliance with the Supply Contract. Agreed discounts, if any, shall be deducted from the total amount invoice.

9.3 The invoice must be issued in compliance with the applicable laws. The invoice shall contain EME order number, invoice number and date, the date of dispatch, type of packaging, goods description, quantity, unit measure, price per unit and total value, payment terms, delivery terms (Incoterms 2010), country of origin, customs tariff code as well as the client name and receiver destination (name and address of the unloading point) as well as the VAT identification number and bank details (IBAN and SWIFT-BIC) for cross-border supplies within the European Union for each delivery and service. The invoice shall be sent to EME's accounting department (email address: [accounting@eme-aero.com](mailto:accounting@eme-aero.com)).

9.4 Unless otherwise specified in the Supply Contract, the payment shall be effected by bank transfer on account number stated on invoice. Value-added tax treatment and all other tax obligations shall be governed by the applicable tax laws.

9.5 Without previous written consent of EME, which shall not be unreasonably withheld, the Supplier shall not be entitled to assign its receivables to third parties or to have such receivables collected by third parties. In the event of an extended retention of title, and in the event of assignments to companies in which EME directly or indirectly holds an interest of more than 50%, consent is assumed to have been given. Even if the Supplier assigns its receivable against EME contrary to the first sentence of this paragraph to a third party without the consent of EME, the assignment remains valid. Regardless of the assignment EME may choose whether payment is made to the Supplier or the third party.

## 10 Quality Management

10.1 Supplier shall provide the appropriate quality assurance and quality control system - if required by EME-

If applicable, the Supplier agrees to establish and maintain a quality management system in accordance with AS/EN9100 and to comply with any additionally agreed quality provisions and EME's requirements. No quality assurance or incoming inspection performed by EME shall relieve the Supplier of its contractual obligations.

10.2 In the case of a continuous business relationship the Supplier shall immediately inform EME of any changes affecting the quality of goods and services delivered, in particular with regard to organization, location or the production/manufacturing process.

## 11 Warranty / Warranties for Defects

11.1 Supplier warrants that its deliveries and services are free from defects in quality and defects of title. In particular, deliveries and services shall meet the agreed specifications and conditions and comply with any applicable laws. Supplier further warrants that its deliveries and services conform to the state-of-the-art of science and technology at the time of performance of the Supply Contract, even if this standard has not yet been incorporated in the relevant rules and standards.

11.2 Warranty claims are subject to a limitation of 36 months beginning on the day the risk passed from Supplier to EME or respectively upon EME's acceptance of the deliveries and services, unless statutory provisions stipulate longer limitation periods, as for instance for buildings or objects that go into building.

11.3 EME will inspect deliveries and services for defects in quality within a reasonable period of time. The notification of defects shall be deemed to have been filed in due time if it is filed to the Supplier within two (2) weeks from the detection of the defect in quality. Timeliness of the complaint shall be determined by the date on which the notification is sent to the Supplier. With respect to the foregoing, the Supplier hereby waives its right to reject such notifications due to not meeting the inspection deadline.

11.4 In the event of defects in quality or defects in title, EME shall be entitled to the full statutory claims and rights. In particular, the Supplier shall bear all expenses associated with the discovery and rectification of the defect(s), including those incurred at EME and including but not limited to the costs of investigations, costs incurred up to the time the defect was discovered at EME, disassembly and assembly costs, costs of labour and materials and transportation and other costs for the return of the defective and supply of non-defective items. This shall apply even in the event of increased expenditures as a result of the consignment being taken to some place other than the place of performance.

11.5 In the event of Supplier's delay, failure or refusal to remedy the defect (rectification or supply of replacement) EME – without prejudice to EME's statutory rights – shall have the right to eliminate the defects itself or have them eliminated by a third party and to charge the costs on to the Supplier. In urgent cases, after prior consultation with the Supplier, EME shall be entitled to rectify or have rectified the defect through a third party on Supplier's cost.

## 12 Infringement of Third Parties Rights

Supplier shall be liable for any and all claims arising in connection with the contractual use of the deliveries and services due to infringement of granted or pending industrial property rights, copyrights or other third parties' rights (hereinafter collectively referred to as „Third Parties' Rights“). The Supplier shall indemnify and hold EME harmless from any claims arising out of the use of such Third Parties' Rights and agrees to pay, upon first request, for all damage, costs or expenditures incurred by EME as a result of the violation of such Third Parties' Rights. This shall not apply if proprietary rights are violated by EME sample drawings or other EME specifications. Supplier shall be liable

# General Terms and Conditions of Purchase

of EME AERO Sp. z o. o.

(hereinafter each individually referred to as „EME“)

Status: January 15th, 2019

for the violation of foreign industrial property rights and applications for industrial property rights only if at least one of such industrial proprietary rights of the same industrial property rights family is published either in the Supplier's home country, by the European Patent Office or in the United States of America or Canada.

## 13 Insurance

Supplier shall be obligated to take out appropriate general liability insurance and product liability insurance coverage and to provide evidence of such insurance coverage upon EME's request. Upon request, Supplier shall assign to EME its claims against the insurance company.

## 14 Stockpiling, Readiness for Supply

Supplier shall guarantee an adequate stock level of parts and its ability to supply for a normal technical service life of its deliveries and services, but at least for a period of ten (10) years after the last delivery. If the Supplier ceases delivery of the goods after the end or during the afore mentioned period of time, it shall be obliged to give EME in due time the opportunity for a final order at reasonable terms.

## 15 Concluding Provisions

15.1 The Supply Contract shall be governed by the laws of the Republic Poland to the exclusion of the Polish conflict of law provisions. The Convention of the United Nations dated April 11, 1980 on Contracts for the International Sale of Goods is hereby excluded.

15.2 Rzeszow shall be the sole place of jurisdiction regarding any and all disputes arising from the business relationship. Notwithstanding the foregoing, EME shall also be entitled to bring a claim or action to any other court of competent jurisdiction.

15.3 In the event of a deterioration in Supplier's asset or credit situation likely to seriously endanger the proper performance of Supplier's contractual obligations, in particular if a petition for bankruptcy over its assets has been filed, EME shall have the right to withdraw in total or partially from the Supply Contract or to terminate the Supply Contract for the part that has not been performed yet.

### 15.4 Conflict Minerals

If the Supplier's deliverables contain tantalum, tungsten, tin or gold ("Conflict Minerals"), the Supplier shall be obliged to ensure that the Conflict Minerals are procured from responsible melting shops / sources of supply that comply with the UN resolutions and are not involved in the funding of armed conflicts, especially so in the Democratic Republic of the Congo and its neighboring countries. Upon request by EME, the Supplier shall provide any and all information necessary to ascertain the origin of the Conflict Minerals.

15.5 Supplier's data and the data of Supplier's contact persons will be stored at EME and will be used exclusively for processing business transactions with the Supplier. Access to EME's data processing system is protected according to the state-of-the-art.

15.6 Supplier agrees to adhere to and comply with the applicable data protection laws and the Regulation (EU) 2016/679 (General Data Protection Regulation) respectively. In the event Supplier receives personal data from EME, Supplier ensures to process the personal data only to the extent necessary for the planning, performing and managing of the contractual relationship between EME and Supplier.

## 16 Compliance

16.1. Supplier warrants and undertakes, as appropriate, that (a) the Contract and the relationship created thereby and the Supplier activities thereunder do not and will not violate any laws

related to bribery and/or corruption, including but not limited to the OECD convention on combating bribery of foreign public officials in international business transactions and all related and implementing legislation or put EME in breach of any such laws, and further warrants that, in connection with the provision of the services or any of them, the Supplier will duly observe at all times throughout the period of the Contract all applicable laws and the terms of this Contract including the terms and conditions as stated herein, (b) neither the Supplier nor, to the Supplier's knowledge, any other person, including but not limited to the Supplier's employees or agents, have made, or will offer to make any loan, gift, donation or other payment of anything of value, directly or indirectly, whether in cash or in kind, to or for the benefit of any officer or employee of a government agency, department, instrumentality, government owned company, or public international organization, political candidate, political party or official thereof, or anyone acting in an official capacity for any of the foregoing (collectively, "Government Officials"), or to any other person to obtain any improper advantage, (c) the Supplier will notify EME of any change of ownership within four weeks.

In the event the Supplier engages in any activity towards EME employees, customers or public office holders in connection with Supply Contracts or other delivery contracts that could lead to criminal prosecution for corruption, favors, or active or passive bribery, EME shall have the right to terminate any and all legal relationships existing between EME and the Supplier without notice. The same applies in the event the Supplier uses child labor in the production process for its deliverables.

16.2. Without prejudice to any other rights EME may have, EME shall be entitled to terminate without previous notice fully or partially any Contract and any attachment to a Contract as well as any other contractual relationship the Parties may have if EME gains knowledge or has reason to suspect that the Supplier is in breach of his obligations according to this article and/or that the information the Supplier provided is not correct.

16.3. EME may conduct an anti-corruption audit of the Contractor's books and records if necessary and appropriate to ensure the Supplier complies with its obligations under this article.