

General Terms and Conditions of Sale of AEE GmbH

§ 1 General - Scope

1. These General Terms and Conditions of Sale ("**Terms and Conditions of Sale**") shall apply to all contracts concluded by us with Customers for the sale and/or delivery of movable goods (in particular for electronic devices and systems (hardware, mechanics and software) and related components for the aviation industry), irrespective of whether we manufacture them ourselves or purchase them from suppliers or subcontractors.
2. Our Terms and Conditions of Sale shall apply exclusively, even if we unconditionally accept orders, render services or directly or indirectly refer to letters or similar, containing the Customer's or third parties' terms and conditions of business in the knowledge of the Customer's terms and conditions of business. We only recognise conflicting, deviating or supplementary terms and conditions of the Customer if we expressly agree to their validity in writing. Individual agreements concluded between us and the Customer in individual cases (including supplementary agreements, additions and addenda) shall in all cases take precedence over these Terms and Conditions of Sale.
3. Our Terms and Conditions of Sale shall only apply if the Customer is an entrepreneur, a legal entity under public law or a special fund under public law within the meaning of Section 310 (1) of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*).
4. The current version of our Terms and Conditions of Sale shall also apply to future offers and contracts for the sale and/or delivery of movable property with the same Customer, without us having to refer to them again in each individual case.

§ 2 Offers, conclusion of contract

1. Our contractual offers are subject to change and non-binding, unless they are expressly marked as binding or contain a specific acceptance period. If the offer contains an acceptance period, this may be extended by us due to special circumstances (e.g. external factors beyond our control) if the circumstances are known to the Customer. This shall also apply if the Customer is provided with catalogues, technical documentation (e.g. drawings, plans, evaluations, calculations, references to DIN standards), other product descriptions or documents - also in electronic form - to which we reserve property rights and copyrights.
2. Agreements or contracts (which are not order confirmations) which the Customer makes with employees, representatives and other vicarious agents working for us require subsequent written confirmation by us. With the exception of managing directors and authorised signatories, our employees, representatives and other vicarious agents are not entitled to make verbal agreements deviating from this.

3. The order by the Customer is considered as a legally binding offer to conclude a contract. Our acceptance is effected by declaration in text form (e.g. by our order confirmation or our notice of readiness for dispatch/collection) or by delivery of the goods. Unless otherwise stated in the order, we are entitled to accept the Customer's offer of contract within two (2) weeks of its receipt by us.
4. Legally relevant declarations and notifications made by the Customer to us after conclusion of the contract (e.g. setting of deadlines, reminders, notices of defects) must be in writing to be effective. The Customer is obliged to notify us immediately (Section 121 (1) of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*)) of any deviations in the service descriptions in the order confirmation from the original offer.
5. The information, drawings, illustrations, technical data, weight, dimension and performance descriptions contained in brochures, catalogues, circulars, advertisements, price lists or in the documents belonging to the offer are not guarantees of quality or durability and only become part of the contract if their compliance has been expressly agreed between the parties. We reserve the right to make changes to these characteristics even after sending an order confirmation, provided that these changes do not contradict either the order confirmation or the Customer's specification.

§ 3 Performance modalities

1. Any activity going beyond the mere procurement of the respective object of purchase and its possible delivery, e.g. the set-up, installation, connection or integration of the object of purchase are not the subject matter of the purchase contract. They can be provided by us upon request, but remain subject to a separate, express agreement.
2. Insofar as the performance of services or works, e.g. testing, engineering and development services, has also been agreed between the Customer and us, our „General Terms and Conditions for the Performance of Services and Work Services“ shall apply exclusively.

§ 4 Prices

1. Unless otherwise agreed, our net list prices current at the time of the conclusion of the contract shall always apply, plus VAT due by law, which shall be shown separately in the invoice. Prices are ex works in accordance with Incoterms 2020. If agreed prices are our net list prices, no fixed (no unchangeable) price has been agreed and, in addition, our delivery is not to take place until more than four (4) months after conclusion of the contract, our net list prices current at the time of delivery shall apply.
2. The deduction of a discount requires a special written agreement.

3. In the case of a mail order purchase, the Customer shall bear the transport costs ex warehouse. Unless we invoice the transport costs actually incurred in the individual case, a reasonable flat-rate transport fee (excluding transport insurance) shall be deemed agreed. Any customs duties, fees, taxes and other public charges shall be borne by the Customer. Transport packaging and all other packaging in accordance with the Packaging Act shall become the property of the Customer and shall not be taken back by us; with the exception of pallets.
4. If the Customer wishes so, we cover the delivery by transport insurance at his expense. Any insurance, transport, packaging and express goods additional costs as well as any other taxes and duties shall be borne by the Customer, unless otherwise agreed.

§ 5 Payment and default in payment

1. Unless otherwise agreed between the parties, payments shall be made within 30 days of receipt of the invoice without deduction to the business account specified in the order confirmation. The invoice shall be deemed received within three (3) working days after dispatch, unless the Customer proves otherwise.
2. Any loss of the subject matter of the contract for which we are not responsible after the transfer of risk to the Customer shall not affect the Customer's obligation to pay.
3. Payment shall only be deemed to have been made when it has been received in our business account specified in the order confirmation. In the event of payment by cheque, payment shall only be deemed to have been made when the cheque has been honoured.
4. As soon as the agreed term of payment is exceeded, the Customer is automatically in default, unless the service is omitted due to a circumstance for which Customer is not responsible. The purchase price shall bear interest at the applicable statutory default interest rate (*Verzugszinssatz*) during the period of default. In the event of default, we shall also be entitled to the statutory default lump-sum in accordance with Section 288 para. 5 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*). We reserve the right to assert further claims for damages caused by default. In any case, our statutory claim against merchants for commercial interest (*kaufmännischer Fälligkeitsszins*) beginning on the due date (Sections 352, 353 of the German Commercial Code (*Handelsgesetzbuch - HGB*)) shall remain unaffected.
5. If the Customer is in default of payment (*Zahlungsverzug*), we are entitled to withdraw from the contract and to take back the goods. After taking back the purchased goods, we can be entitled to realise them; the realisation proceeds shall be credited against the Customer's liabilities - less reasonable realisation costs.

§ 6 Set-off, right of retention, refusal of performance

1. The Customer shall only be entitled to offset and assert a right of retention if (a) the counter-claim is either undisputed or legally established in a title against which an appeal is (no longer)

admissible, or (b) in the case of procedural assertion, is ready for a decision at the time of the last oral hearing or (c) is in a relationship of reciprocity (*Synallagma*) with the main claim.

2. If it becomes apparent after the conclusion of the contract that our purchase price claim is jeopardised by the Customer's lack of ability to pay (e.g. by filing for insolvency proceedings), we shall be entitled to refuse performance in accordance with the statutory provisions and - if necessary after setting a deadline - to withdraw (*zurücktreten*) from the contract (Section 321 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*)). In the case of contracts concerning the manufacturing of non-fungible moveable items (*nicht vertretbare Sachen*; e.g. custom-made items), we can declare our withdrawal immediately; the statutory provisions on the dispensability of setting a deadline remain unaffected.

§ 7 Delivery, delay in delivery

1. The start of the delivery time stated by us presupposes the clarification of all technical questions.
2. Compliance with our delivery obligation further presupposes the timely and proper fulfilment of the Customer's obligation. We reserve the right to plead non-performance of the contract.
3. Our delivery obligation is always subject to timely and proper delivery by our own suppliers.
4. Deliveries shall be made and the risk shall pass ex works in accordance with Incoterms 2020, unless otherwise agreed between the Customer and us in writing (*Schriftform*).
5. We shall be entitled to render partial deliveries if (a) a partial delivery can be used by the Customer within the scope of the contractual purpose, (b) the provision of the remaining delivery is ensured, and (c) the partial delivery does not result in any significant additional expense for the Customer.
6. Delays in delivery due to force majeure or due to unforeseen events for which we are not responsible, such as operational disruptions, strikes, lock-outs, official orders, subsequent discontinuation of export or import possibilities as well as our own reservation of supply in accordance with § 7.3 release us from the obligation to comply with somewhat agreed delivery or unloading times for the duration and scope of their effects. They also entitle us to withdraw from the contract without the buyer being entitled to damages or other claims as a result.
7. If an agreed delivery or unloading time is exceeded without there being an impediment to delivery pursuant to § 7.6, the Customer shall grant us in writing (*Schriftform*) a reasonable grace period of at least two weeks. If we culpably fail to meet this grace period either, the Customer shall be entitled to withdraw from the contract, but not to assert claims for damages arising from non-performance or default, unless we are guilty of intent or gross negligence. Unless the delay in delivery is due to an intentional breach of contract for which we are responsible, our liability for damages shall be limited to the foreseeable, typically occurring damage.

8. Deviating from § 7.4 and only if expressly agreed with the Customer, we dispatch the goods to the destination indicated by the Customer. In this case, Customer shall bear all expenses incurring - also with regard to packaging. In the cases of sentence 1 of this paragraph, the risk of accidental loss and accidental deterioration of the goods shall pass to the Customer upon receipt by the Customer of our notice of readiness for dispatch or - if the latter is not provided for in the contract - at the latest upon handover of the goods to the forwarding agent, carrier or other transport person. This shall also apply if partial deliveries are made or if we have taken over other performances (e.g. said dispatch or transport or assembly).
9. We shall be entitled to determine the type of dispatch (in particular the forwarding agent, carrier or other transport person, and the dispatch route) and packaging (material and type) at our dutiful discretion.
10. In the case of deliveries to member states of the European Union ("intra-Union deliveries of goods"), the Customer must immediately cooperate in an appropriate manner in providing evidence of the intra-Union delivery of goods. In particular, we may require a dated and signed confirmation of the intra-Union delivery of goods with at least the following content: the name and address of the consignee, the quantity and usual commercial description of the goods and the place and date of receipt of the goods. If the Customer does not comply with this obligation to cooperate, he shall be liable for the resulting damage, in particular for the value-added tax incurred by us.

§ 8 Acceptance, Default of Acceptance

1. If we and the Customer agreed on conducting an acceptance (*Abnahme*), the declaration of acceptance shall be decisive for the transfer of risk. Acceptance can also be effected by Customer's implicit behaviour. If the Customer is in default of acceptance, the handover or acceptance shall be deemed equivalent.
2. If the Customer is in default of acceptance (*Annahmeverzug*) or culpably violates other duties to cooperate or if the delivery to him is delayed for other reasons for which he is responsible, we shall be entitled to demand compensation for the damage incurred by us in this respect, including any additional expenses (e.g. storage costs). We reserve the right to assert further claims.

§ 9 Warranty

1. Claims for defects on the part of the Customer require that the Customer inspects the delivered goods immediately after delivery to the Customer or to the third party designated by the Customer and notifies us of any defects without delay (cf. inspection and notification obligations in accordance with Section 377 of the German Commercial Code (*Handelsgesetzbuch-HGB*)). The immediate nature of the notice of defects presupposes that it is sent within seven (7) working days of delivery at the latest or - if the defect was not identifiable during the inspection - within three (3) working days of discovery of the defect at the latest. If, however, this last designated defect was already recognisable to the Customer at an earlier time than the time of discovery

during normal use of the goods, this earlier time shall be decisive for the start of the aforementioned notification period. If the Customer fails to carry out proper and timely inspection and/or notification of defects, our warranty obligation and other liability for the defect concerned shall be excluded unless we have fraudulently concealed the defect.

2. Insofar as the Customer has claims against us due to the defectiveness of the goods, we shall, at our choice, which shall be exercised at our reasonable discretion, either remedy the defects free of charge or deliver defect-free goods free of charge (hereinafter collectively referred to as "**subsequent performance**" (*Nacherfüllung*)). The Customer must grant us reasonable time and opportunity to carry out the subsequent performance. Our right to refuse subsequent performance under the statutory conditions shall remain unaffected.
3. The expenses necessary for the purpose of inspection and subsequent performance, in particular transport, travel, labour and material costs, shall be borne by us if a defect actually exists. If, however, a Customer's demand for the removal of defects turns out to be unjustified, we may demand reimbursement of the resulting costs from the Customer.
4. We shall be entitled to make the subsequent performance owed dependent on the Customer paying the due purchase price. However, the Customer shall be entitled to retain a reasonable part of the purchase price in proportion to the defect until successful completion of the subsequent performance.
5. In the event of defects in parts of other manufacturers which we are unable to remedy for licensing or actual reasons, we shall assign warranty claims against the manufacturers and suppliers to the Customer. Warranty claims against us for such defects shall only exist under the other conditions and in accordance with these Sales Conditions if the judicial enforcement of the aforementioned claims against the manufacturer and supplier was unsuccessful or is futile, for example due to insolvency. During the duration of the legal dispute, the statute of limitations of the relevant warranty claims of the Customer against us shall be suspended.
6. Any warranty claims or claims for defects shall not apply if the Customer changes the good or has changed it by third parties without our consent and the removal of defects is made impossible or unreasonably difficult as a result. In any case, the Customer shall bear the additional costs of remedying the defect incurred as a result of the change.
7. If the subsequent performance has failed or a reasonable period to be set by the Customer for the subsequent performance has expired unsuccessfully or is dispensable according to the statutory provisions, the Customer may withdraw from the contract (*zurücktreten*) or reduce the price. In the case of an insignificant defect, however, there is no right of withdrawal. The Customer's rights to claim damages and reimbursement of futile expenses due to the defectiveness of the goods shall be determined in accordance with § 10 of these Terms and Conditions for Sales.

§ 10 Limitation of liability

1. Insofar as nothing to the contrary arises from these Sales Conditions, we shall be liable for the breach of contractual and non-contractual obligations in accordance with the statutory provisions.
2. We shall be liable - for whatever legal reason - without limitation for damages and the reimbursement of futile expenses resulting from an intentional or grossly negligent breach of duty by us or one of our legal representatives or vicarious agents.
3. In the event of a merely simple or slightly negligent breach of duty by us or one of our legal representatives or vicarious agents, we shall only be liable, subject to a lower standard of liability in accordance with statutory provisions (e.g. for due care in our own affairs), if
 - a) - however without limitation - for damages based on this/reimbursement of futile expenses resulting from injury to life, body or health;
 - b) for damages/reimbursement of futile expenses resulting from the violation of essential contractual obligations. Essential contractual obligations are those obligations the fulfillment of which is essential for the proper execution of the contract and on the observance of which the Customer regularly relies and may rely. In this case, however, our liability shall be limited in amount to the damage typical for the contract and foreseeable at the time of conclusion of the contract.
 - c) The limitations of liability resulting from b) shall not apply if we have fraudulently concealed a defect, given a guarantee for the quality of the goods or assumed a procurement risk. In addition, any mandatory legal liability, in particular under the German Product Liability Act (*Produkthaftungsgesetz, ProdHaftG*), shall remain unaffected.
 - d) Contractual penalties and lump-sum damages owed by the Customer to third parties in connection with goods delivered by us may - subject to all other conditions - only be claimed as damages if this has been expressly agreed with us or if the Customer has informed us of this risk in writing prior to our conclusion of the contract.
 - e) The Customer is obliged to notify us immediately in writing of any damage or loss for which we are responsible or to have us record such damage or loss.
 - f) If damage is attributable both to our fault and to the fault of the Customer, the Customer must allow his contributory negligence to be taken into account. In particular, it shall be regarded as a predominant fault of the Customer if the latter fails to inform us about the risk of unusually high damages.
3. Contractual and non-contractual claims for damages/claims for reimbursement of futile expenses incurred by the Customer due to a defect in the goods shall become statute-barred twelve (12) months after delivery of the goods, unless a longer limitation period is stipulated by

AEE Aircraft Electronic Engineering GmbH ● Argelsrieder Feld 1a ● D-82234 Weßling

Tel: +49 (0)8153 400670 ● E-mail: eee@eee-gmbh.de

Status: 6.20.2022

law. Claims for damages of the Customer according to the German Product Liability Act (*Produkthaftungsgesetz, ProdHaftG*), in the cases of the above § 10.1 and 10.2. a) and if we have fraudulently concealed the defect, shall become statute-barred exclusively upon expiry of the statutory limitation periods.

4. Insofar as our liability is excluded or limited in accordance with the above provisions, this shall also apply to the liability of our executive bodies, legal representatives, employees, staff and vicarious agents.

§ 11 Retention of title

1. We reserve title to all goods delivered by us until full payment of all current and future claims arising from a purchase contract and an ongoing business relationship ("**reserved goods**"), e.g. on the basis of a framework agreement. If the reserved goods are processed or transformed by the Customer (Section 950 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*)), this processing shall always be carried out for us as manufacturer in our name and for our account, and we shall directly acquire ownership or - if the processing or transformation is carried out from materials of several owners, or if the value of the newly created item is higher than the value of the reserved goods - co-ownership (fractional ownership) of the newly created item in the ratio of the value of the reserved goods (gross invoice value) to the value of this newly created item. In the event that for any reason no such acquisition of ownership or co-ownership should occur, the Customer hereby assigns to us its future ownership or (in the aforementioned proportion) co-ownership of the newly created object as security; we hereby accept this assignment. If the reserved goods are combined with other goods not belonging to us within the meaning of Section 947 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*) or mixed or immingled within the meaning of Section 948 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*), we shall acquire co-ownership of the newly created item in the ratio of the value of the reserved goods (gross invoice value) to the value of the other combined, mixed or immingled goods at the time of the combination, mixing or commingling; if the reserved goods are to be regarded as the main item, we shall acquire sole ownership (Section 947 para. 2 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*)). If one of the other items is to be regarded as the main item, the Customer, insofar as Customer owns the main item, hereby assigns to us the proportionate co-ownership of the uniform item in the aforementioned proportion. We hereby accept this transfer. Our sole ownership or co-ownership of an object created in accordance with the above provisions shall be held in safe custody by the Customer on our behalf free of charge.
2. The Customer shall be entitled to use, process, combine, mix and/or sell the reserved goods in the ordinary course of business until the event of realisation has occurred. The Customer's claims for payment against his buyers from a resale of the reserved goods as well as the Customer's claims with regard to the reserved goods against its buyers or third parties arising from any other legal reason (in particular claims from tortious acts and claims to insurance benefits), including all balance claims from current account, the Customer hereby assigns to us as security - in the case of co-ownership by us of the reserved goods pro rata in accordance with our co-ownership share. We hereby accept these assignments.

3. We hereby revocably authorize the Customer to collect the claims assigned to us for us in its own name. Our right to collect these claims ourselves shall not be affected thereby. However, we shall not collect them ourselves and shall not revoke the collection authorisation as long as the Customer duly fulfils its payment obligations towards us (in particular does not default in payment), as long as no application has been filed for the opening of insolvency proceedings against the Customer's assets and as long as the Customer is not unable to pay. If one of the aforementioned cases occurs, we can demand from the Customer that Customer informs us of the assigned claims and the respective debtors, informs the respective debtors of the assignment (which we may also do ourselves at our discretion) and hands over to us all documents and provides all information which we require to assert the claims.
4. If the realisable value of the securities exceeds our claims by more than ten (10) percent, we shall release securities at the Customer's request.
5. The Customer is not entitled to pledge the reserved goods or to assign them as security. In the event of seizure of the reserved goods by third parties or other access by third parties, the Customer must clearly indicate our ownership and inform us immediately in writing so that we can pursue our ownership rights. Insofar as the third party is unable to reimburse the court or out-of-court costs incurred by us in this connection, the Customer shall be liable to us for such costs.
6. If mandatory legal provisions of another country in which the reserved goods are located do not provide for a retention of title within the meaning of the above paragraphs, but know of other and comparable rights to secure the claims from the supplier's invoices, we reserve these. The Customer shall be obliged to cooperate in measures to which we are entitled in order to protect our right of ownership or any other right in the reserved goods taking its place.

§ 12 Export control

1. The Customer shall comply with the applicable export control and sanction regulations and laws of the European Union ("EU"), the United States of America ("US"/"USA") and other jurisdictions (export control regulations). The Customer shall inform us in advance and provide us with all information (including final destination) necessary for us to comply with the export control regulations, in particular if our products are ordered for use in connection with
 - a) a country or territory, natural or legal person subject to restrictions or prohibitions under the EU, US or other applicable export control and sanctions regulations; or
 - b) the design, development, production or use of military or nuclear goods, chemical or biological weapons, missiles, space or aircraft applications and launchers therefor.
2. The fulfilment of the contractual obligations by us is subject to the condition that the applicable export control regulations do not conflict. In such a case, we shall therefore be entitled in particular to refuse or withhold performance of the contract without any liability to the Customer.

§ 13 Property rights, copyrights and industrial property rights

AEE Aircraft Electronic Engineering GmbH ● Argelsrieder Feld 1a ● D-82234 Weßling

Tel: +49 (0)8153 400670 ● E-mail: ae@ae-gmbh.de

Status: 6.20.2022

1. We reserve all property rights, copyrights and intellectual property rights („IPR“) in all documents, materials and other objects (e.g. illustrations, drawings, calculations, offers, catalogues, price lists, cost estimates, plans, product descriptions and specifications, samples, models and other physical and/or electronic documents, information and software) handed over by us to the Customer.
2. The Customer may not make the IPR available or communicate them to third parties, exploit them, reproduce them or change them without our prior written consent, neither as such nor according to their content. The Customer must use the IPR exclusively for the contractual purposes and return them to us in full at our request and destroy (or delete) any existing (including electronic) copies insofar as they are no longer required by him in the ordinary course of business and in accordance with statutory retention obligations. Upon our request, the Customer shall confirm to us the completeness of the return and destruction/deletion or explain which of the above-mentioned documents, materials or items it still believes it needs for what reasons in the Customer's opinion.

§ 14 Secrecy and confidentiality

1. The Customer undertakes to keep secret all confidential information which has come to his knowledge or becomes known to him in the course of the provision of our services, in particular to avoid any access by third parties to this information and to use it exclusively in the course of the provision of our services. Confidential within the meaning of this obligation is all information which is marked as such or where the confidentiality results from the circumstances. In particular, confidential information is all data, technical, financial information, plans, graphics and work results which become known to the Customer in the context of or in preparation of the services to be provided by us or which are or have been compiled by us in the context of the provision of services. The Customer shall obligate his employees, unless they are already obliged to do so under their employment contract, to maintain secrecy towards us to the extent as defined herein.
2. The obligation to maintain secrecy does not apply to confidential information (i) which is already public or generally known at the time the Customer becomes aware of it or becomes known without a breach of this confidentiality obligation, (ii) which is handed over to the Customer by a third party without a breach of a confidentiality obligation towards us, (iii) which has been developed by the Customer independently of the provision of services by us or (iv) if and insofar as the confidential information is to be surrendered due to an enforceable official or court order and the Customer has informed us of this and exhausted possible legal remedies immediately after becoming aware of the disclosure obligation.

§ 15 Subcontractors

The engagement of subcontractors by us in order to render our performances accordance with these Terms and Conditions of Sale does not require the prior written consent of the Customer.

§ 16 Miscellaneous

1. The exclusive - also international - place of jurisdiction for all disputes arising from or in connection with the business relationship between us and the Customer is our registered office. However, we are also entitled to sue the Customer at his place of business. Mandatory statutory provisions on exclusive places of jurisdiction remain unaffected.
2. The law of the Federal Republic of Germany shall apply; the application of the UN Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.
3. Unless otherwise stated in the order confirmation, our registered office shall be the place of performance.
4. Should any provisions of these Terms and Conditions of Sale be or become void or ineffective in whole or in part, this shall not affect the validity of the remaining provisions.