

Standard Terms and Conditions for the Sale of Products by IDAIR GmbH

1. Scope and Exclusive Validity of these Terms and Conditions

1.1 These Standard Terms and Conditions (“T&C”) shall exclusively apply to the sale of product(s) by IDAIR GmbH (“IDAIR”), including components of such products, spare products, software and/or third party products, (“Product(s)”) to a Customer as defined in Section 1.3, unless IDAIR expressly waives the applicability of these T&C in written form, and only as far as IDAIR and the Customer have not agreed on any other terms and conditions in written form. These T&C shall also apply to all future transactions between IDAIR and the Customer (together, the “Parties”) and also if IDAIR supplies to the Customer despite the knowledge of differing terms and conditions of the Customer.

1.2 The Customer’s standard terms and conditions shall not become an integral part of any present or future agreement between IDAIR and the Customer, even if IDAIR has not expressly rejected their applicability. Further, if IDAIR replies to any communication of the Customer that refers to Customer’s standard terms and conditions or any other set of terms and conditions (each being “Other Terms and Conditions”), such reply shall neither constitute an acceptance of such Other Terms and Conditions, nor shall it result in the acceptance of such Other Terms and Conditions.

1.3 “Customer” shall mean any entrepreneur that purchases or intends to purchase Products from IDAIR or asks IDAIR to submit a proposal or offer. Entrepreneur shall mean any individual or legal entity who or which, when entering into a legal transaction, acts in exercise of his or its trade, business or profession, in accordance with the definition in Section 14 of the German Civil Code (*Unternehmen*).

2. Conclusion of Agreement

2.1 Any proposal or other offer submitted by IDAIR to the Customer shall be binding only for the time as specified therein.

2.2 Orders submitted by the Customer to IDAIR – by letter, fax or e-mail – shall be binding and may be accepted by IDAIR within four (4) weeks upon IDAIR’s receipt of the respective order.

2.3 An agreement between IDAIR and the Customer comes into existence once IDAIR has accepted Customer’s order by submitting a respective order confirmation to the Customer in writing (letter, fax or e-mail) within the time period as set forth in Section 2.2 above (such agreement being the “Customer Agreement”). The same applies accordingly to Customer’s requests regarding contract amendments or changes including, but not limited to, the rescheduling of delivery date(s) of the Products. Any costs related to such rescheduling shall be borne by the Customer. An agreement between IDAIR and the Customer also comes into existence once the Customer has accepted in writing (letter, fax or e-mail) an offer or a proposal of IDAIR according to the terms and conditions specified in IDAIR’s respective offer of proposal (such agreement also being a “Customer Agreement”).

3. Delivery

3.1 The Products shall be delivered to Customer FCA, shipping location as specified by IDAIR (Incoterms 2020).

3.2 Should no estimated date of delivery be specified in the order confirmation, IDAIR will deliver the Products within a reasonable period of time.

3.3. All software offered in proposals or offers of IDAIR, whether embedded in line-replaceable units (“LRU”) or provided separately will be licensed to the Customer under terms to be defined in a separate Software Licence Agreement between the Parties.

4. Reservation of Title

Title to all Products shall remain with IDAIR until full payment has been effected by the Customer with regard to all amounts due to the purchase of Products or any other payment claims of IDAIR against the Customer.

5. Inspection of Products and Warranty

5.1 The Customer shall thoroughly inspect each Product without undue delay upon delivery and shall notify IDAIR in writing about any obvious defects within two (2) weeks from receipt of the Product or, as the case may be, upon acceptance (*Abnahme*) of IDAIR’s performance and about any other defects within two (2) weeks from the day on which the defect was or could have been detected. In the event that the Customer fails to notify

IDAIR in writing about any defect within the aforementioned two-week-periods, the Products shall be deemed to be free from defects.

5.2 In the event of a defect of any Product, IDAIR may in its sole discretion decide to repair the Product or replace it with an equivalent Product which is free of defects. In the event the repair of the Product or the delivery of a defect-free Product fails, the Customer shall be entitled to rescind the agreement with IDAIR.

5.3 IDAIR’s warranty shall be excluded with regard to defects of the Products which (i) have been altered, overhauled or repaired during the warranty period by anyone else than IDAIR, (ii) have been damaged beyond ordinary wear and tear, or which (iii) have not been stored, handled or operated in accordance with manufacturer’s recommendations and standard aviation practices. The aforementioned warranty restrictions do not apply if the Customer proves that IDAIR caused the defect.

5.4 In the event of a defect of Products not manufactured by IDAIR, IDAIR’s warranty obligation shall be limited to the assignment of its rights, if any, from the manufacturer or subcontractor of the purchased product (“Third Party Supplier”) to the Customer. Upon Customer’s request, IDAIR shall provide the Customer with all necessary information available to IDAIR regarding the assigned rights from the Third Party Supplier. The Customer and IDAIR may agree that IDAIR supports the Customer in enforcing its assigned warranty rights against the Third Party Supplier. However, if the assigned warranty rights cannot be legally enforced against the Third Party Supplier, IDAIR shall be under a subsidiary warranty obligation instead.

5.5 IDAIR is entitled to perform the services to correct any defect covered by this Section 5 at one of its dedicated technical facilities. The Customer and IDAIR may from time to time agree that these services shall be performed at a different location. For any “No Failure Found” Product returned for repair to IDAIR by the Customer, IDAIR is entitled to charge the Customer the recertification costs as well as an additional handling fee of five hundred Euro (500 EUR) and the Customer shall bear the risk for the removal and the transport of the defective Product to and from IDAIR’s dedicated technical facility or any other location where the services shall be performed. The Customer shall also be solely responsible for the reinstallation of the Product and bear all related costs in case of a “No Failure Found” Product.

5.6 The warranty period shall be one (1) year upon delivery of the Product or, as the case may be, upon acceptance (*Abnahme*) of IDAIR’s performance. The warranty period for LRUs shall be six (6) months.

5.7 The warranty set forth in this Section 5 shall be the exclusive remedy in the event of a defect of any Product except for possible damage claims according to Section 6 of these T&C.

5.8. The Customer shall collect in-service problem data regarding the Product and report such data in writing to IDAIR on an ongoing basis with the purpose of keeping product life cycle cost to a minimum.

6. Liability

IDAIR’s liability for damages in case of minor negligence (*leichte Fahrlässigkeit*) on the part of IDAIR shall be excluded provided the liability does not concern (i) any material contractual obligations (*Kardinalspflichten*) in which case IDAIR shall only be liable for foreseeable damages, (ii) damages arising from injury to life, limb or health, (iii) damages arising from a violation of a guarantee of quality (*Beschaffheitsgarantie*), (iv) damages based upon maliciously concealed defects (*arglistig verschwiegene Mängel*) or (v) damages under the product liability act (*Produkthaftungsgesetz*). The same exclusion of liability shall apply with regard to IDAIR’s liability for damages in case of gross negligence (*grobe Fahrlässigkeit*) on the part of “simple” vicarious agents (“*einfache*” *Erfüllungsgehilfen*) of IDAIR who are not IDAIR’s statutory representatives (*Organe*) or senior managers (*leitende Angestellte*).

7. Prices, Invoicing and Payment

7.1 Unless otherwise agreed between the Parties, the Customer shall pay the price(s) as purchase price for the Product as set forth in the proposal or offer made by IDAIR to the Customer and in the request of the Customer confirmed in writing by IDAIR, respectively. Unless otherwise agreed between the Parties, all prices are exclusive of VAT, other applicable taxes, customs duties and bank fees, which shall also be borne by the Customer.

7.2 IDAIR will issue one invoice or several partial invoices to the Customer for the Product(s). The invoices shall be sent in paper or electronic format unless the Parties agree on a different method of invoicing.

7.3 All invoices are due and payable by the Customer without any deduction within five (5) calendar days upon the Customer's receipt of the respective invoice ("**Due Date**"). In case of late payment, IDAIR may invoice a pro-rated daily late payment charge equal to one percent (1%) per month on all payments made after the Due Date has been exceeded by ten (10) calendar days.

7.4 The Customer is not entitled to set off any claims against IDAIR's claims or exercise a right of retention, unless the Customer's counter-claims have been confirmed by the final decision of a competent court or are undisputed.

7.5 Payments by bank transfer to IDAIR shall be made to the bank account of IDAIR stated in the invoice. The Customer shall make payment in the contractually agreed currency. Any payment made in any currency other than the contractually agreed currency shall be exchanged at the exchange rate on the date the payment is valued to IDAIR's account. The Customer remains liable for any shortfall to the amount owed resulting from such exchange.

8. Responsibility towards Airworthiness Authorities

Notwithstanding IDAIR's liability according to Section 5.7 above, the Customer shall be solely responsible for the use of any purchased Product including, but not limited to, the installation of such product into any aircraft. For the avoidance of doubt, the Customer shall also be and remain solely responsible towards any aviation authorities or other governmental agencies. To the extent available and required by mandatory EASA or FAA regulations, IDAIR will grant the Customer access to all necessary information concerning IDAIR's compliance with EASA- and/or FAA-requirements.

9. Intellectual Property

IDAIR reserves all rights with regard to any intellectual property rights pertaining to any purchased Product, and no such rights shall be licensed or assigned to the Customer unless expressly agreed between the Parties. Any intellectual property rights resulting from developments, improvements or customizations of Products implemented by IDAIR on behalf of the Customer shall remain with IDAIR, unless expressly agreed otherwise.

10. Confidentiality

Any designs, specifications, drawings, reprints, technical information or data ("**Confidential Information**") furnished by IDAIR to the Customer shall remain IDAIR's property and shall be used only with respect to articles manufactured or services rendered by IDAIR. The Customer shall not make the Confidential Information available to third parties except to the extent necessary for the performance of the contract unless the Confidential Information is obviously intended for the general public.

11. Trade Control Compliance

11.1 General Compliance

The Customer undertakes to conduct any activities under or in connection with the Customer Agreement in compliance with applicable export, import and sanction laws and regulations (in their most current version) including, but not limited to, those of, the United States (as stipulated in the U.S. Export Administration Regulations (EAR), 15 CFR Parts 730-774, or in the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130), the United Nations (as stipulated the United Nations Security Council Consolidated List), and those of other relevant foreign jurisdictions (collectively referred to as "**Trade Control Laws**"). The Customer represents and warrants that neither itself nor any of its affiliates are listed on any applicable sanctioned party list or controlled by a sanctioned person. If at any time following the entry into force of the Customer Agreement the Customer or any of its affiliates becomes a sanctioned person, or a sanctioned person acquires control of the Customer or its affiliates, the Customer shall promptly notify IDAIR. The Customer acknowledges that performance by IDAIR of its obligations under any Customer Agreement shall remain subject to obtaining, and to the terms of, any export license required under Trade Control Laws. Upon IDAIR's request, the Customer shall promptly provide IDAIR with appropriate documents or certifications as required by or to comply with Trade Control Laws. IDAIR reserves the right to not execute shipment until the Customer has provided necessary documents or certifications to enable IDAIR to use existing export licenses such as acknowledgement of IDAIR's license conditions. IDAIR further shall be released from its obligations if Trade Control Laws prevent IDAIR from fulfilling its obligations.

11.2 No Re-Export

(i) The Customer shall not sell, export or re-export, directly or indirectly any goods or technology supplied by IDAIR in connection with the Customer Agreement which fall under the scope of (1) Article 12g of the Council Regulation (EU) 833/2014 as of 31 July 2014 in its most current version (the "**Regulation**") to the Russian Federation or for use in the Russian Federation and/or (2) Article 8g of Council Regulation (EU) No 765/2006 (as amended from time to time) to Belarus or for use in Belarus.

(ii) The Customer shall use all necessary efforts to implement adequate measures to prevent any direct or indirect sale, export or re-export of any goods or technology supplied by IDAIR in connection with the Customer Agreement that fall under the scope of (1) Article 12g of the Regulation (as amended from time to time) by third parties to the Russian Federation and/or (2) Article 8g of Council Regulation (EU) No 765/2006 (as amended from time to time) by third parties to Belarus.

(iii) The Customer shall inform IDAIR about any relevant activities by third parties that could be in conflict with the purpose of Article 11.2(i). The Customer shall provide IDAIR any information requested concerning compliance with the obligations under this Section 11.2. In case of any breach of the obligations as set out in this Section 11.2 by the Customer, IDAIR shall be entitled to terminate the Customer Agreement upon written notice and with immediate effect.

11.3 If required to enable governmental authorities or IDAIR to conduct export control audits, the Customer, upon request by IDAIR, shall promptly provide IDAIR with all information pertaining to the end-user, the destination and the intended use of products or technical information provided by IDAIR, as well as any export control restrictions existing.

11.4 The Customer shall indemnify and hold harmless IDAIR from and against any claim, proceeding, action, fine, loss, cost and damage arising out of or relating to any non-compliance with Trade Control Laws by the Customer, and the Customer shall compensate IDAIR for all losses and expenses resulting therefrom, unless such non-compliance was not negligently or intentionally caused by the Customer. This provision does not imply a change in the burden of proof.

12. Force Majeure

All events or circumstances, the prevention of which are beyond a Party's reasonable control such as, but not limited to, strikes, blockades, administrative orders, damage through fire, floods and all other cases of force majeure which prevent delivery or acceptance, shall release the relevant Party from its obligation of delivery or acceptance for the duration and to the extent of such events or circumstances.

13. Miscellaneous

These T&C shall be deemed to be subject to, and have been made under, and shall be construed and interpreted in accordance with the laws of the Federal Republic of Germany without regard to its laws on conflicts of laws. The Convention on the International Sale of Goods (CISG) shall not apply. The courts of Hamburg, Germany, shall have jurisdiction. In case of any claims brought against IDAIR, this jurisdiction shall be exclusive.

14. Amendments

Any amendments to these T&C including this Section 14 as well as to the Customer Agreement need to be agreed upon between IDAIR and the Customer in writing.