ZODIAC CABIN CONTROLS GmbH

GENERAL PURCHASING CONDITIONS

I. Scope of the purchasing conditions

1. Only the purchaser's purchasing conditions stated below apply to the issued order.
   Silence on the part of the purchaser in the face of other conditions of the supplier, acceptance of an order confirmation with a reprint or reference to general business conditions of the supplier, unconditional acceptance of deliveries or partial deliveries and payments by the principal are not considered as acceptance of the supplier's delivery conditions.Explicit rejection of the supplier's conditions is not required.
   On taking up on-going business relations, only the purchaser's purchasing conditions in the currently valid version apply also to all future transaction.
2. Any verbal agreements must be confirmed in writing by the purchaser to come into effect. It is not possible to reach a verbal agreement to dispense with the need for the written form.

II. Order confirmation, forwarding the order

1. The order confirmation must be sent back to the purchaser immediately, but at the latest with 14 days after receiving the order.
2. Comments from the supplier which deviate from the purchaser statements in the order must be clearly identified as such in the order confirmation.
3. Prior written consent must be obtained from the purchaser before the order is forwarded to third parties and before transfer/assignment of the claims/rights arising from the order.

III. Delivery date, place of fulfilment

1. The stated delivery dates are binding; advance deliveries are only permitted with the purchaser consent and with invoicing to the agreed delivery date.
2. The supplier shall inform the purchaser immediately of all circumstances delaying complicance with the delivery dates.
3. The place of destination stipulated by the purchaser is the place of fulfilment for the supplier.

IV. Shipment

1. Shipping documents, such as delivery notes, packing lists etc. are to be enclosed with the consignments. All documents must state the order numbers and the marking stipulated in the order by the purchaser. A delivery note (duplicate) referring to the goods for dispatch shall be sent to the purchaser at the latest on the day of dispatch.
2. The items for shipment must be packed correctly. Any loss and damage to the consignment caused by failure to comply with this clause shall be paid by the supplier.
3. Insofar as the order does not prescribe any specific mode of shipment, preference shall be given to the most economical mode of shipment.
4. The goods are to be delivered only to the goods receipt department, to ensure that the invoice is paid on time.
5. If the supplier fails to comply with the shipping specifications stated above, the purchaser is entitled to charge the supplier with all resulting additional costs.
6. Returns of empties, packaging material and battery chargers are made at the supplier's costs. Notwithstanding the special regulations referring to container traffic.
7. Transport insurance
   Insurance transport is taken out by the purchaser. The purchaser does not refund the costs of any transport insurance taken out by the supplier.

V. Transfer of ownership

If the supplier asserts any reservation of title, ownership of the supplied items passes to the purchaser at the latest on making payment. Any other reservations of title are excluded.

VI. Warranty

1. Acceptance of the delivery is made subject to the warranty rights/claims.
2. The warranty period depends on normal conditions in the branch, but amounts to at least 12 months.
3. The purchaser provides notification of obvious and concealed defects within his customary notification periods, i.e. as a rule within 3 weeks from acceptance of the delivery for obvious defects or within 3 weeks from discovery for concealed defects.
   The period for notification of defects is extended when the supplier maintains an on-going business relationship with the purchaser and it was not possible to submit a complaint within the period for notification of defects in particular because of the scope of supply, or because a longer corresponding period is normal business or branch practice for the deliveries featured in the order.
4. The purchaser can enforce the warranty claims to the effect that in the purchaser choice, the supplier shall either improve the faulty supplied product or supply a faultless product, within an appropriate period of grace. The costs involved for repair or substitute delivery, such as transport, travelling expenses, labour and material costs are paid by the supplier. This also applies insofar as the costs are increased because the delivered items have been brought to another site than the place of destination stated by the purchaser (III.3), in accordance with their proper use.
   If the faulty delivered product is not repaired or no substitute supplied within the period set by the purchaser, regardless of whether the supplier is responsible or not, the purchaser is entitled to proceed himself with repairs or have repairs performed by a third party at the supplier's costs, or assert his corresponding statutory rights/claims to rescission, reduction or compensation, without giving any prior warning, such choice being in the purchaser choice.
5. Times in which the faulty delivered product cannot be used because of warranty claim interrupt the run of the warranty period. The interruption to the run of the warranty period begins on the day on which the supplier was informed of the fault, and ends on the day of handing over a new delivery of the item or on the day on which the repaired item is available.

VII. Protected rights

1. The supplier vouches that the items delivered by him do not infringe any domestic or foreign protected rights. The supplier undertakes to indemnify the purchaser and/or his customer if he or they are faced with claims in a legal dispute because of the infringement of protected rights. In the case of a legal dispute, the supplier shall compensate for all damage suffered by the purchaser and/or his customer who had placed his/their trust in the free usability of the supplied item. The supplier shall provide compensation for any damage suffered by the purchaser customer insofar as the customer has lodged corresponding claims with the purchaser.
2. The supplier is not liable insofar as he has produced the delivered items solely according to the purchaser drawings and models and he did not know or could not know that the production of these items constituted the infringement of rights in the above meaning.
3. On demand, the supplier shall name all registered protected rights which he uses in the context of delivered items or items for delivery; if the supplier ascertains infringement of protected rights or registered protected rights, he shall inform the purchaser unsolicited and without delay.

VIII. Prices, favoured status

1. The prices are fixed and binding for the complete term of the order.
2. The supplier assures that the agreed price is not less favourable than the price he has granted to other purchaser in a similar situation. If on conclusion of the order, the supplier should habe granted another purchaser prices or other conditions for an order which are more favourable than the conditions of this order, then the conditions granted to the other purchaser also count as being agree for this order. Any excess payments shall be returned to the purchaser immediately with interest at the normal bank rate.

IX. Invoice, payment, withholding right, offset

1. The invoice (triplicate) is to be submitted immediately after delivery. The invoice must state the order numbers stipulated by the purchaser and feature the makings required in the order.
2. The day of receiving the invoice (on condition that the goods have been received), respectively handover of an irrevocable forwarder's receipt for shipment, stipulates the beginning of the payment period.
   Payment shall be made within 15 days less 2% discount or within 30 days net.
3. In the event of a defect subject to the warranty, the purchaser is entitled to withhold payment of a corresponding part of the remuneration with regard to the fault, until the fault has been eliminated correctly.

X. Parts supplied by the purchaser, spare parts supplies

1. If the purchaser provides production equipment such as dies, gauges, moulds, models, samples, tools, drawings etc., these remain the property of the purchaser. The supplier shall keep these separately and accessible to the purchaser at all times; such items shall be marked as the property of the purchaser and treated carefully. The items shall be returned to the purchaser in proper condition.
2. Production equipment produced or procured by the supplier shall be kept available for the production of spare parts for a period of 10 years after completions of the last series order for the purchaser. During this period, the supplier shall supply the purchaser with items made using the above mentioned production equipment on request.
3. The production equipment made available to the supplier or produced according to the purchaser specifications must not be sold, assigned as security, pledged, duplicated or otherwise made available to a third party without the express written consent of the purchaser. The same applies to the items made with the assistance of the production equipment specified above.

XI. Quality

1. The supplier assures that the items for delivery correspond to the documents on which the order ha been based, such as drawings, descriptions, samples, specifications, acceptance conditions etc., the corresponding pertinent domestic and foreign statutory regulations, the accident prevention regulations, the pertinent directives and ordinances, the VDE specifications and acknowledged rules of engineering.
2. In the event supplier has performed changes in product and/or process supplier is engaged to inform purchaser immediately before delivery.
3. In the event supplier intends to deliver products deviating from the specified requirements/performance (e.g. product data sheet, specification, drawing etc.) supplier is engaged to inform purchaser in writing immediately. Shipping is only allowed after written approval from purchaser.
4. Purchaser reserved access rights (during business hours) to all facilities involved in the order-/manufacturing process and applicable records.
5. The supplier is engaged to apply the established quality assurance systems without any deviation.
6. The purchaser reserves the right to perform quality audits to verify the orderly use of all procedures defind in supplier's quality assurance manual.
7. In case of sub-contracting supplier is engaged to ensure the compliance with purchaser quality assurance regulations stated within the „General Purchasing Conditions".

XII. Audit and Rights of Entry

Authorized representative of ZODIAC CABIN CONTROLS or their respective goverment regulatory agencies may, perform on-site audits or inspections, at suppliers and its subcontractors facility, related to suppliers performance hereunder, at any reasonable item, provided such on-site audits or inspections shall be performed with Zodiac Cabin Controls presencs.

XIII. Data Protection

The purchaser is entitled to use all data about the supplier for his own purposes, for himself and his affiliated companies, in compliance with the provisions of the Data Protection Law.

XIV. Final provisions

1. The legal relationships between the purchaser and foreign suppliers are subjected to the substantive laws of the Federal Republic of Germany.
   The standard law on the conclusion of international contracts for the sale of goods dated 17 July 1973 and the standard law on the international sale of goods dated July 1973 do not apply.
2. Should any provisions of the order be or become completely or partly invalid, this does not affect the validity of the remaining order. In this case, purchaser and supplier untertake to replace the invalid provisions by valid agreements which come as close as possible to the financial content of the invalid provisions.
3. The place of jurisdiction for all disputes arising from the delivery transaction and related to bills of exchange or cheques is only the place of the purchaser registered business adress.