

## GENERAL PURCHASE CONDITIONS

### 1. General

The following General Purchase Conditions („GPC“) apply exclusively on all purchases made by WingFan Ltd. & Co KG, Hamburg, Germany (“WingFan”); subsidiaries are excluded. They equally apply to the supply of production material (with the purpose of serial production at WingFan, particularly unfinished parts, materials, assemblies, comprehensive parts) as to the supply of spare parts, molds or machines, as well as products of all sorts (generally named as „products“). With the supply of its products towards WingFan the GPC are accepted by the supplier.

The General Terms of Service or other deviating conditions of the supplier shall not apply, unless they have been explicitly accepted by WingFan in writing (e.g. by a cooperation agreement or similar binding agreement). These GPC also apply in all cases where WingFan accepts the delivered goods of the supplier without objecting the supplier’s conditions deviating from these GPC (whether WingFan is aware of them or not) expressly. All references or indications of the supplier on the applicability of their general terms and conditions are hereby expressly rejected. These GTC apply to all future business transactions with the supplier. The provisions of the GTC apply in addition to all other possible agreements which the parties may conclude, such as framework supply contracts, quality agreements or similar.

### 2. Inquiries, Offers, Prices

Inquiries from WingFan to the supplier about their products and terms of their delivery, or requests by WingFan for submission of a tender, bid or quotation do not bind WingFan nor result in obligations in any way. All prices quoted have to include any packaging, material surcharges and deliveries free of charge. Depending on the product scaled prices may be requested, in which case WingFan specifies the quantities. The supplier has the right to offer differing quantities, e.g. for economic reasons rounding quantities such as per carton, pallet, etc. All offers should have at least three months validity.

Prices for production materials are usually valid for a longer period, commonly for 1 year, in case of commodity price changes of +/- 5%, both parties have the right to renegotiate the current price. However, any change in price has to be announced at least 3 months in advance before the new price becomes valid.

### 3. Purchase Orders and Order Confirmations

All our orders must be submitted in writing, text format or via electronic data interchange (EDI). The transmission is considered text format if done via fax or email, the exhibiting companies and the issuing person must be clearly identifiable. Orders are effective without personal signature if the appropriate remark is printed on the order.

Upon reception the supplier is obliged to check the order regarding correct data such as item number, item description, order quantity, price, payment and delivery terms and mentioned specifications. After considering these WingFan expects a written confirmation within 5 business days. If quantities and / or delivery dates are not maintainable, consultation should be taken with the responsible purchaser at WingFan, at the least these deviations have to be clearly stated on the order confirmation.

#### 4. Payment and Delivery Conditions

Payment and delivery conditions are stated on every order, these should be established in accordance with the supplier. If no other payment and / or delivery conditions have been explicitly agreed on, the following payment conditions apply: 14 days with 3% deduction and 60 days net; as terms of delivery: CPT / CIP (free delivery) in accordance with the Incoterms 2010. For urgent deliveries, the delivery conditions and shipping method may differ (e.g. air freight instead of sea freight).

#### 5. Delivery and Acceptance of Goods

The delivery must be carried out according to the order / order confirmation. For goods which arrive too early or too late WingFan reserves the right to protest the delivery and if necessary to return the delivered goods. The supplier has to indicate the order and delivery number on all documents relating to a purchase order. All shipping documents have to be properly equipped with the information required by WingFan, especially supplier number, order number, part number, item description and quantity, and if available drawing number, batch identifier incl. manufacturing date and number of material certificate.

The delivered goods are accepted under reservation as the number of packages and outer appearance are only appraised with a visual inspection at this point. The actual incoming-goods inspection and quality control will take place at a later step. Any complaints will be sent to the supplier as soon as possible. For each creation of a complaint WingFan will charge a fixed rate of 45 €. Additional costs for reworking, re-turned shipping, warranty issues, etc. resulting from the complaint may apply.

#### 6. Delivery Performance (OTIF)

WingFan also calculates the delivery performance of all suppliers which supply production materials (OTIF - on time in full - full and timely delivery), binding is the delivery date (for orders with incoterm CPT, CIP, DAP) or dispatch date (for orders with incoterm FOB, EXW) as stated on the purchase order (Exception: if WingFan has agreed to an alternative date and has adjusted the order accordingly). OTIF is met if a minimum quantity of 95% is delivered with a tolerance of -3 working days / +1 working day around the requested delivery date. Example: is the agreed delivery day a Wednesday, the goods can be delivered on Friday, Monday and Tuesday before the date and Thursdays the day after to be considered as OTIF. Each item position counts individually but in its entire quantity. If, for example, 40% of the goods are delivered within the -3 / +1 days and the other 60% outside, the whole position is deemed not to be OTIF. WingFan will provide these reviews to the main suppliers as well, once the system is fully implemented.

#### 7. Invoice and Payment

For any supply of goods or services the supplier must submit an invoice separately from the shipment. The invoice must contain the following information (similar to the delivery note): supplier number, order number, part number, item description and quantity, and (if applicable: drawing number, batch incl. manufacture date and material certificate No.). The invoice date cannot be earlier than the dispatch date, for invoices which are issued prior to the dispatch date WingFan reserves the right to reject or to adjust those invoices to the dispatch date.

In case of faulty delivery we are entitled to withhold payment until proper fulfillment, without loss of rebates, discounts and similar payment benefits.

## 8. Liability (continued)

The supplier is responsible for ensuring that the delivered items are free from any material and legal defects. If there has been no further written agreement made, the statute of limitations for warranty claims of delivered items is 36 months from delivery.

We shall be entitled to the statutory defect claims without restriction. The supplier shall gratuitously provide repair or replacement at our discretion. The supplier has the opportunity for supplementary performance of max. two attempts within a reasonable time. If, after our claim, the supplier is recognizably unwilling or unable to remedy the claim or to provide the necessary replacement as soon as possible to prevent excessive damage, we have the right to remedy the defect ourselves or to make covering purchases from a third party and demand coverage of the necessary costs and expenses. If the supplier has the deficiency not remedied after an appropriate period set by us or the resolving of defects finally failed, we also have the right to reduce the purchase price, to withdraw from the contract or to demand compensation for expenses and / or damages.

## 9. Quality Assurance, Product Safety

Before changes to production processes, materials or supplied parts, relocation of manufacturing facilities, further changes in processes or devices for testing of the supplied items or of any other action which may affect the quality and / or safety of the delivered goods can be made, the supplier has to inform us in time before any delivery. Changes on established specifications shall not be made without our written consent.

Any changes to the delivery items and product-related changes in the process chain shall be documented in a product life cycle. To be documented here are including drawing changes, concessions, process changes, changes of testing methods and testing frequencies, changes of supplier, vendor parts and supplies. The documentation for the product life cycle has to be provided to us upon request.

## 10. Confidentiality

Unless separately concluded with the supplier, each supplier is obliged to treat all information obtained in the context of the business relationship with us, including our orders and the information or material provided by us in strict confidence and not to disclose or make accessible aforementioned information to third parties without our written permission. The supplier will only grant access to this information to own employees, if and to the extent necessary to carry out their tasks under the business relationship with us. The obligation of confidentiality shall also apply after termination of the business relationship with us. Further agreements on confidentiality are regulated at need in separate agreements.

## 11. Final Clauses

The assignment of claims, to which the supplier is entitled to from the business relationship with us, is excluded. Any contract shall be governed solely by the law of the Federal Republic of Germany. The place of jurisdiction of our principle office in Hamburg is agreed as the place of jurisdiction. Should these GPC contain a gap in regulation, the legally effective regulations, which the contract partners would have agreed to according to the economic objectives of the contract and for the purpose of these GPC had they recognized the gap, are considered to be agreed upon to fill this gap.

## 11. Final Clauses (continued)

This GPC is subject to German law and is to be designed according to the German understanding of law. The English version serves for informational purposes only and is not a component part of the legal transaction. Therefore, in the case of deviations between the German and the English version, only the German version applies.

As of 07/2016