

General Terms and Conditions of Sale

1. SCOPE OF APPLICATION

The following General Terms and Conditions of Sale (GTC) shall apply to all work, services and goods provided by KID-Systeme GmbH (hereinafter KID).

These General Terms and Conditions shall apply exclusively. The customer's deviating, contrary or supplementing general terms and conditions of supply shall only become part of the contract as far as KID has explicitly consented to their application in writing. This consent requirement shall apply in any case, for example even if KID unreservedly delivered work or goods in knowledge of the customer's terms and conditions.

2. INVITATION, PURCHASE ORDERS AND CONFIRMATIONS

Offers made by KID are subject to confirmation and constitute an invitation for the customer to place a purchase order with KID.

A purchase order from the customer constitutes a binding offer that KID can accept by written order confirmation within ten (10) days of receipt of a valid purchase order. Valid purchase orders need to be specified and released per aircraft ship-set and should contain all equipment part numbers and quantities, equipment prices, shipping address and shipping date.

The contract is concluded once KID's order confirmation is received by the customer.

3. DOCUMENTS

All documents shall remain the sole property of KID, even when transferred to the customer. They shall be treated as secret and confidential and shall not be disclosed to third parties or used by the customer for

itself or for the benefit of third parties without KID's written approval. They must be returned to KID upon request.

4. CONFIDENTIALITY

"Confidential Information" shall mean all information, including technical and commercial data, which is made available to the customer by KID verbally, in writing or in any other form, except for such information which is generally available in the public domain other than through the customer's fault or which is already in the lawful possession of the customer at the time of KID's disclosure. The customer shall protect all Confidential Information and shall use it exclusively for order-related purposes. The customer undertakes not to communicate Confidential information to any third party without the previous written consent of KID. Communication of Confidential Information by the customer to its employees shall be limited to those having a need to know in relation to order performance and to the information strictly necessary for this purpose. The customer is prohibited from obtaining Confidential Information by means of Reverse Engineering. "Reverse Engineering" means any action, including observation, testing, examination, disassembly or reassembly, with the aim of obtaining Confidential Information. The obligation of confidentiality shall be valid as of the start of business relations between KID and the customer and shall remain in full force and effect for a period of five (5) years after receipt of the order confirmation by the customer or twenty (20) years after the last communication of Confidential Information, whichever is longer.

5. INTELLECTUAL PROPERTY

KID shall remain the exclusive owner of all intellectual and industrial property rights (patents, trademarks, elements of know-how) relating to the delivery. The customer shall not acquire any rights of ownership, reproduction or licenses relating to the delivery and/or elements or materials used in said delivery. Similarly, the customer shall not hold any intellectual or industrial property rights in any medium relating to the delivery and/or any drawings, mock-ups, diagrams that may be placed at its disposal. In the event the goods sold include the use of software or intellectual property rights (IPR), the use and operation of said

software or IPR shall be formalized by a transfer of rights or a specific license.

6. DELIVERIES

The delivery lead time is specified in KID's order confirmation. Delivery will be FCA Hamburg Airport freight forwarder appointed by customer (Incoterms 2010).

Packing will be in accordance with ATA300. Compliance with the specified delivery periods is conditioned upon timely and proper performance of all duties of the customer at its own cost, i.e. in particular the provision of all necessary documents, certificates etc. In case the customer performs such contractual duties with delay, the agreed delivery periods shall be reasonably deferred by the period of such delay. KID is entitled – after expiry of a reasonable period of such delay – to withdraw from the contract and/or to claim any resulting damages including but not limited to additional expenses.

In cases of delay in delivery for which solely KID is responsible, the customer shall be entitled to damages amounting to 0.2% of the price for the delayed delivery for each complete week of delay, but a maximum of 2% of the contractually agreed total price, unless KID can prove that the customer sustained a lower level of loss or no loss at all. Further liability on the part of KID resulting from delay shall be excluded subject to Clause 10 below.

7. FORCE MAJEURE

“Force Majeure” means all circumstances beyond the control of KID and which make delivery impossible or unreasonably difficult for KID, e.g. strike, legal lock-out, civil war, acts of terror, unrest, natural disasters, prohibitions on import and export (if beyond the control of KID), shortage of energy, raw materials or semi-finished products (if beyond the control of KID), and late self-delivery not falling within the responsibility of KID. In cases of Force Majeure, KID shall be entitled to postpone the delivery for the duration of the Force Majeure event. Where, due to Force Majeure, delivery by KID becomes impossible in total or in parts, KID shall be relieved from the respective obligation to deliver. The customer shall be entitled to withdraw from the contract where KID is released from its delivery obligation.

8. WARRANTY

Immediately upon receipt of the goods, the Customer shall examine them and in case of any obvious defect, shall inform KID in writing within a period of two weeks after delivery. For defects that are not apparent, the customer must notify KID in writing immediately after having discovered such defect. If the customer fails to provide notification accordingly, the goods shall be deemed approved. Where a good is defective, KID shall at its sole discretion choose between either the repair or to deliver a defect-free good.

The customer shall not be entitled to remedies as a result of e.g. incorrect storage, operation, maintenance or excessive or inappropriate use of the goods, corrective maintenance work or by other breach of contractual specifications and product regulations on the part of the customer or a third party.

Any warranty claim by the customer for defect of the goods in quality or title shall be subject to a limitation period of 12 months commencing with delivery. Any further liability on the part of KID for warranty claims shall – subject to Clause 10 below – be excluded.

9. LIABILITY

In case of intent and gross negligence on KID's part, KID is liable pursuant to statutory law. In case of negligence on KID's part, KID is only liable for injury to life, body or health and for breaches of fundamental (cardinal) contractual obligations. KID's liability for breaches of fundamental (cardinal) contractual obligations is limited to the foreseeable, typically occurring damage. Limitations and exclusions of liability pursuant to these GTC shall not apply to KID's liability under the German Product Liability Act, if KID has assumed a guarantee for the good's nature (i.e. non-fault related warranty) or if a defect was fraudulently concealed (§ 444 German Civil Code). The limitations and exclusions of KID's liability under these GTC shall also apply to the personal liability of KID's employees, representatives, and other persons engaged in the performance of KID's obligations. KID's liability beyond that contained in these GTC – irrespective of the legal nature of the claim asserted – shall be excluded.

10. PRICES AND TERMS OF PAYMENT

All prices are quoted in US Dollar and are exclusive of any applicable tax (e.g. VAT) which shall be borne by the customer. KID reserves the right, by giving notice to the customer at any time before delivery, to increase the price of the works, services or goods to reflect an increase in the costs to KID which is due to any external factor beyond the control of KID (such as foreign exchange fluctuation, currency regulation, alteration of duties, significant increase in the costs of materials or other costs of manufacture) or any change in delivery dates, and KID will reduce the price if external costs (such as customs duties) drop or do no longer apply. Unless otherwise agreed, invoices are to be paid net within 30 days upon their receipt. Payment is considered made when at the disposal of KID.

Should no payment be effected within 30 days net after receipt of invoice, the customer will automatically be in default of payment. Such default in payment will be charged by 1% of the invoiced amount per delayed week. The payment shall be performed by wired money transfer, checks will not be accepted. The customer is entitled to offset only insofar as the customer's counterclaim is undisputed or established by a legally binding judgment. The customer has only a right of retention to the extent such rights are based on the same transaction.

11. RETENTION OF TITLE

Notwithstanding delivery and the passing of risk in the goods, or any other provision of these conditions, the property in the goods shall not pass to the customer until KID has received payment in full of the price of the goods and all other goods agreed to be sold by KID to the customer for which payment is then due. The customer shall handle the goods with due care, maintain suitable insurance for the goods and, to the extent necessary, service and maintain the goods. As long as the purchase price has not been completely paid, the customer shall immediately in form KID in writing if the goods become subject to rights of third parties or other encumbrances. The customer may resell or use the goods subject to the above retention of title only in the course of his regular business. In that case the customer shall account to KID for the proceeds of sale or otherwise of the goods including insurance proceeds, and shall keep all such proceeds separate from any moneys or properties of the

customer and third parties. If the goods are processed, reshaped or combined with goods of third parties, KID shall acquire according co-ownership. Insofar as the above securities exceed the secured claim by more than 10 % and upon demand of the customer, KID is obliged to release respective securities as KID deems suitable.

12. COMPLIANCE, SANCTIONS AND EXPORT CONTROL

12.1 DEFINITIONS

Definition for the purpose of this Clause:

"ABC Legislation" means any law, regulation, embargo or restrictive measure (in each case having force of law) imposed by the United Nations, the United States of America, the European Union, the United Kingdom, any other country or any official institution or agency of any of the foregoing, in relation to anti-money laundering, anti-corruption, anti-bribery and counter terrorism financing.

"Affiliate" means, with respect to any natural or legal person, another natural or legal person directly or indirectly Controlling, Controlled by or under common Control with such person.

"Applicable Legislation" means with respect to any party, any ABC Legislation to which such party may be subject.

"Control" means, in respect of a natural or legal person, the power of another natural or legal person to direct the affairs and/or control the composition of the board of directors or equivalent body of the first natural or legal person and the terms

"Controlling" and "Controlled" shall be construed accordingly.

"KYC Procedures" means any applicable "know your customer" due diligence, including anti-money laundering, anti-corruption, anti-bribery, counter terrorism financing, sanctions or other similar checks and procedures, whether resulting from any internal requirement of the Seller or from the operation of any Applicable Legislation.

“Sanctions Authority” means the Government of the United States of America (including, without limitation, the Department of State, the Department of Commerce and the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury), the United Nations, the European Union, the United Kingdom or the government of any country with jurisdiction over KID.

“Sanctions and Export Control Laws” means any laws or regulations which impose economic, trade or other restrictive measures or export, re-export licenses or other authorisations in each case issued and enforced by a Sanctions Authority.

“Sanctioned Person” means:

a) any natural or legal person in any list of sanctioned persons of any Sanctions Authority (including the List of Specially Designated Nationals (SDN) and Sectoral or Sanctions Identifications (SSI) List); or

b) any natural or legal person directly or indirectly owned or Controlled by any one or several person(s) designated under (a) above.

12.2 COMPLIANCE

Each party shall, at its own cost, comply (and shall ensure that its directors, officers, agents, employees and its Affiliates) comply with any Applicable Legislation and with its obligations under this Clause 12.

The customer shall provide to KID any information that the KID may reasonably request from time to time in order to comply with the KYC Procedures (including information relating to the customer’s corporate structure and ultimate beneficial ownership, and the customer’s sources of financing).

Each party hereby represents and warrants to the other that neither it nor any of its Affiliates (or any person associated with such party or such Affiliate) has, as at the date hereof, paid, given, offered or received or agreed to pay, give, offer or receive any improper or illegal benefit (including in the form of any fee, commission, payment, salary, sponsorship, gift or other consideration) to and/or from any natural or legal person in connection with the entering into or the performance of this agreement (an “Improper Benefit”).

Each party undertakes that it will not pay, give, offer or receive or agree to pay, give, offer or receive any Improper Benefit.

The parties hereby agree that if, in relation to this Agreement, a party is found guilty of, or admits to, or enters into a settlement relating to, in each case, granting or receiving an Improper Benefit further to legal proceedings under any Applicable Legislation in respect of an Improper Benefit, the other party may terminate all or part of the contract without any liability towards the first party.

12.3 SANCTIONS AND EXPORT CONTROL

Each party represents to the other as at the date hereof that neither it nor any of its Affiliates is a Sanctioned Person and undertakes at all times to conduct its business in compliance with all applicable Sanction and Export Control Laws. If, at any time following the conclusion of the agreement, (i) a party or any of its Affiliates becomes a Sanctioned Person or (ii) the performance of a party’s obligations under this agreement would constitute a breach of Sanctions and Export Control Laws (each a “**Sanctions Event**”), then the affected party shall promptly notify the other party and the parties shall, to the extent permitted by applicable Sanctions and Export Control Laws, consult with each other with a view to mitigating the effects of such Sanctions Event. During such consultation:

a) in the case of paragraph (i) above, the party that has not become a Sanctioned Person; and

b) in the case of paragraph (ii) above, the party whose performance under this Agreement would constitute a breach of Sanctions and Export Control laws, shall, in each case, have the right to suspend the performance of its obligations under the contract at any time following the occurrence of a Sanctions Event.

If performance of the obligations of the parties cannot be lawfully resumed within a period of eighteen (18) months after the occurrence of a Sanctions Event which is continuing, then such party may terminate the contract at any time without any liability towards the other party, upon notice to the other party.

The customer undertakes to use each good provided by KID exclusively for the purpose of commercial civil aviation and that, unless authorised by all Sanctions and Export Control Laws, it will not directly or indirectly sell, import, export, re-export, lease,

sublease or operate the goods: (a) to or in any country which is the subject of commercial, economic or financial restrictions pursuant to any applicable Sanctions and Export Control Laws and/or (b) to any Sanctioned Person.

The customer shall not sell, export or re-export, directly or indirectly, to Russia or Belarus or for use in Russia or Belarus any products and/or services supplied by KID under or in connection with the GTC or supply agreement that fall under the scope of Article 12g of Council Regulation (EU) No 833/2014 and/or Article 8g of Council Regulation (EU) No 765/2006. The customer shall set up a mechanism to ensure that any third party comply with such prohibition and shall immediately inform KID about any problems in applying this clause and possible non compliance with the above provisions.

Any violation of this Clause 12.3 related to no sell, export or re-export, directly or indirectly, to Russia or Belarus as defined above shall constitute a material breach of the GTC and the supply agreement, and KID shall be entitled to (i) suspend and/or terminate, without any liability, the supply agreement with immediate effect and (ii) claim any remedies at law or otherwise such as any indemnification for losses arising out of or in connection with the violation.”

13. DATA PROTECTION

The customer shall use the goods in compliance with any applicable laws, in particular with the European Union Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, as amended from time to time.

The customer shall indemnify KID against any claims, fines, damages and expenses resulting from a violation of data protection laws. Clause 10 above remains unaffected.

14. MISCELLANEOUS

The agreement supersedes any previous understanding between the Parties, oral or written, with respect to the subject matter hereof. Any performance under a preliminary agreement between

the parties on such matter shall be deemed made under these GTC.

Should any of the above provisions become void, illegal or unenforceable, the validity of the remaining provisions shall not be affected. In such a case the void and / or illegal and / or unenforceable provision or provisions shall be replaced by such provisions that are as close as possible to the actual, legal and commercial purpose of the GTC in their entirety. The same shall apply where there is a gap in these GTCs.

15. APPLICABLE LAW AND JURISDICTION

The contractual relationship shall be exclusively governed by the laws of the Federal Republic of Germany. The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall be excluded. The exclusive place of jurisdiction for all disputes shall be Hamburg. KID is entitled to bring a claim before a court at the customer's principal place of business.