

## **General Terms and Conditions of Purchase**

### **I. General Conditions**

1. These Terms and Conditions of Purchase deal with all current and future business between Nord-Micro GmbH & Co. KG (Nord-Micro) and its suppliers.
2. These Terms and Conditions of Purchase shall be exclusively applicable, even if Nord-Micro accepts the supplier's delivery without reservation in the knowledge that the supplier's terms and conditions of purchase conflict with or deviate from its own Terms and Conditions of Purchase. Conditions deviating from or amending such Terms and Conditions of Purchase are accepted only if Nord-Micro has expressly agreed in writing to their applicability.

### **II. Individual Orders and Confirmation of Order**

1. Individual orders shall be placed by e-mail or via the Nord-Micro supplier portal at <https://suppliers.utc.com/Pages/Home> by the purchase department of Nord-Micro.
2. Every order must be confirmed by the supplier no later than 14 (fourteen) workdays after its receipt, indicating the delivery date and the price. If Nord-Micro does not receive a written order confirmation within 14 (fourteen) workdays after the date of the order, Nord-Micro is entitled to cancel the order. An order not accepted by the supplier within the aforementioned period shall also expire without revocation no later than 30 (thirty) days after receipt of the order by the supplier. If the confirmation of order deviates from the order, Nord-Micro shall be bound only if Nord-Micro has agreed to the deviation.
3. The technical equipment and performance of the different products can be specified in annexes which are an integral part of the order.
4. All agreements made between the parties upon conclusion of the contract shall be put down in writing in full. The employees of Nord-Micro are not authorized to make verbal agreements that deviate from or go beyond this.

### **III. Framework Orders**

If a framework order is placed, Nord-Micro is entitled, but not obliged, to place orders for the products described in the framework orders with the agreed lead times prior to the delivery date with reference to the respective framework order and stating the delivery quantity and delivery date via Nord-Micro's supplier portal at <https://suppliers.utc.com/Pages/Home>. The order placed on the basis of the framework order shall be deemed accepted if the supplier does not reject it in writing within 14 (fourteen) workdays after receipt of the order. The supplier shall not be entitled to reject an order which complies with the conditions laid down in the framework agreement. In the case of orders which go beyond or deviate from the framework agreement, the supplier must state the reasons for the rejection if it wishes to reject them. Should the execution of the order be possible with changes, the supplier must indicate these changes in the rejection and accept a subsequent order from Nord-Micro under the changed conditions.

### **IV. Prices and Terms of Payment**

1. Prices and the terms of payment shall be agreed on by way of negotiation for a particular period of time prior to an order and/or a change of an order. Unless otherwise agreed, payment shall be made within 15 (fifteen) days with 3 percent cash discount or within 30 days net. The payment presupposes that goods or services have been received in full and without defects and that a proper invoice has been received. The agreed price and the terms of payment are binding. The price shown in the order is a net price. Unless otherwise agreed, the agreed purchase price includes delivery "free house" Nord-Micro Frankfurt a. Main

including packaging and transportation as well as assumption of the transport insurance pursuant to DAP Frankfurt a. Main (INCOTERMS in the in each case latest version). At Nord-Micro's request, the supplier will take back the packaging and re-use it or dispose of it pursuant to the applicable legal regulations.

2. Invoices can only be processed by Nord-Micro if they contain the following correct information: order number, delivery note number, pre-shipment notification number (Advanced Shipping Notification, ASN). The following invoice dispatch address must be indicated on the invoices:

Nord-Micro GmbH & Co. KG  
FINANCIAL SHARED SERVICE  
c/o boulevard Haussmann  
75009 Paris  
France.

In addition, Nord-Micro must be listed on the invoice as the recipient of the service, stating its complete business address in Germany as entered in the commercial register. Invoices must be submitted promptly upon delivery in three copies. The statutory value added tax must be shown separately. The second and third copies of the invoice must be clearly marked as duplicates. Any invoices not complying with these requirements shall be deemed not to have been issued until clarification or completion by the supplier.

## V. Delivery Period

1. The delivery date indicated on the order shall be binding. If the delivery period is not kept, the supplier shall be in default without any warning. Advance deliveries shall only be admissible with the consent of Nord-Micro and if invoiced on the agreed date. In the event of premature delivery, Nord-Micro may either store the consignment at the expense and risk of the supplier or return it at the supplier's expense. Costs over and above the costs of premature delivery shall also be borne by the supplier.
2. The supplier shall be obliged to inform Nord-Micro promptly in writing if circumstances arrive or become apparent, making clear that the agreed delivery period cannot be kept.
3. If the supplier is in default with the entirety or a part of delivery, it shall pay liquidated damages of 0.1 (zero point one) percent of the purchase price for the products affected by default for each workday of default, up to a maximum of 5 (five) percent of the gross purchase price of the delayed delivery. The assertion of further damages caused by delay is expressly reserved. Moreover, Nord-Micro may assert its statutory claims. In particular, Nord-Micro shall be entitled to demand damages for non-performance and/or to rescind from the contract under the statutory conditions. Nord-Micro reserves the right to assert the liquidated damages ("*Vertragsstrafe*") until payment of the final invoice.

## VI. Delivery

1. Unless otherwise specified in the order, deliveries shall be made to Nord-Micro's incoming merchandise address at Victor-Slotosch-Straße 20, 60388 Frankfurt am Main, with an advance advice of dispatch. The dispatch nature must be agreed in advance with Nord-Micro. Advices of dispatch, delivery notes and packing slips must show Nord-Micro's reference numbers (order number, project, material number as well as item number for each item) and must be attached to the goods in two copies. The shipping documents must precisely specify the products delivered and indicate the gross and net weight and the numbers of items as well as the packaging method used. When using the Nord-Micro supplier portal, the supplier must ensure that the delivery note number is entered in the "Packing List" field when the supplier generates the Advanced Shipping Notification (ASN).
2. If the required shipping documents are missing when delivery is made or if the shipping documents do not contain the above information, delivery shall be regarded as not having been made. In such a case, Nord-Micro will store the goods until the shipping documents arrive or the missing information is completed, as the case may be, at the expense and risk of the supplier.
3. Delivery must be made only on the agreed delivery dates and with the ordered quantity. Partial deliveries are only permitted with the prior consent of Nord-Micro. Nord-Micro reserves the right to demand delivery of missing goods and to store or to return excess goods at the supplier's expense and risk.

4. Deliveries made up to 5 (five) working days prior to the agreed delivery date will be accepted by Nord-Micro.
5. For numbers of items and weights, the figures established through the incoming merchandise control at the time of delivery shall be relevant.

## **VII. Transfer of Title and Passing of the Risk**

Unless otherwise agreed, title and risk to the products delivered shall pass over upon delivery of the goods to the incoming merchandise department of Nord-Micro. If Nord-Micro accepts in an individual case an offer of the supplier for transfer of ownership conditional on the payment of the purchase price, the reservation of title of the supplier shall expire at the latest with the payment of the purchase price for the delivered goods. Any further reservations of title shall be ruled out.

## **VIII. Acceptance and Liability for Defects**

1. The supplier warrants that the objects to be supplied comply with the order's underlying documents, such as drawings, descriptions, patterns, specifications, acceptance terms and conditions etc., the relevant domestic and foreign statutory provisions as amended from time to time, the accident prevention regulations, the relevant regulations and directives, the VDE regulations and the recognized rules of technology.
2. The supplier must deliver goods which in terms of quantity, quality and nature as well as packaging meet the agreed requirements. Unless otherwise agreed, the products are in compliance with the agreement only if they
  - a) are suitable for the contractually preconditioned purpose and use and/or particular purposes and uses expressly or implicitly made known to the supplier at the time of the conclusion of the agreement,
  - b) are suitable for the usual purpose and use and possess the qualities which are usual in products of the same kind and which Nord-Micro may expect according to the nature of the products,
  - c) possess the features of products presented to Nord-Micro by the supplier as a sample or model, and
  - d) have the licenses, labels and permits indicated to the supplier as necessary for the intended use.
3. The goods delivered are defective if they do not meet the requirements of paragraph 1 and 2, furthermore, if they lack an agreed quality, if the supplier or its vicarious agent performs an installation agreed upon between the parties in an improper way, if the product is intended for installation and the installation instructions are faulty except if the product has been installed properly as well as in cases of delivery of different goods or of an insufficient quantity.
4. As part of the incoming goods inspection, Nord-Micro inspects the delivered goods for obvious visible defects (in particular transport damage) as well as for obvious deviations in quantity and incorrect deliveries on the basis of the documents supplied. A further investigation shall be carried out as soon as and to the extent that it is feasible under the circumstances of an orderly course of business. Nord-Micro will immediately report to the supplier any defects found in the course of the investigation. Concealed defects which only become apparent later will be reported by Nord-Micro without undue delay after discovery. The supplier cannot invoke a violation of this duty to complain if the breach of contract is due to defects which the supplier did not disclose to Nord-Micro in bad faith. If there is a quality assurance agreement between the supplier and Nord-Micro, its provisions shall prevail insofar as they deviate from these Terms and Conditions of Purchase.
5. In the event of defects, Nord-Micro shall be entitled to the statutory warranty rights without restriction. In particular, the following claims exist:
  - a) Nord-Micro is entitled to demand at its election that the defect be remedied or that the supplier makes a delivery of a flawless product. All costs associated with the subsequent performance (haulage, transport infrastructure, labour, materials as well as installation and removal) shall be borne by the supplier.
  - b) If the supplier does not comply with its obligation to subsequent performance within a reasonable time period set for this purpose, Nord-Micro shall be entitled to remedy the defect itself or to have this done

at the supplier's expense. If subsequent performance by the supplier has failed or is unreasonable for Nord-Micro (e.g. due to particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damages), no prior deadline needs to be set; Nord-Micro will inform the supplier immediately of such circumstances.

- c) If the supplier does not fulfill its obligation to provide subsequent performance within the reasonable period set or if the subsequent performance has failed, is impossible or unreasonable, Nord-Micro shall also be entitled to reduce the purchase price or withdraw from the contract and/or claim damages for non-performance under the statutory conditions.

If the prerequisites for a claim of damage are met, the supplier shall be obliged to compensate Nord-Micro for all losses arising due to the breach of contract or due to defects, including lost profits. This also includes all costs incurred to determine the breach of contract as well as in connection with a recall, if necessary.

6. If series defects arise, the parties shall promptly inform each other. Series defects are defects which arise identically in at least 10 (ten) percent of the products within a delivery period of 3 (three) years. After becoming aware of a series defect, the manufacturer must immediately take all suitable technical measures to remedy the defect. If series defect arises, Nord-Micro shall have the right to terminate contracts for the products affected by the series defects for important cause or to rescind such agreements after a reasonable time period set for the purpose of subsequent performance has elapsed without performance by the supplier. The right to claim damages shall remain unaffected by the agreement's termination or rescission.
7. The limitation period for claims associated with defects is 36 (thirty-six) months from the date of delivery of the product by Nord-Micro to its customers or 48 (forty-eight) months from the date of delivery of the product to Nord-Micro, whichever is later. In the case of a product which is intended for further sale by Nord-Micro, the limitation period pursuant to § 445b BGB (German Civil Code) for supplier recourse shall remain unaffected. With regard to buildings and moveable objects that are usually used for buildings, claims associated with defects shall be time-barred after 5 years as of acceptance. If technical systems are delivered, the deadline for assertion of claims associated with defects is 36 months and commences with acceptance of the system unless the technical systems are delivered within the framework of construction works, then the deadline for assertion of claims associated with defects is 5 years.

## **IX. Quality Assurance**

If the supplier delivers products for a series production, he has the obligation to establish or prove a quality assurance system which meets the requirements of Collins ASQR-01. The Collins ASQR-01 (Supplier Quality System Requirements) can be downloaded from the RTX website (<https://www.rtx.com/suppliers/United-Technologies-Suppliers/United-Technologies-ASQRD>). The supplier consents to the performance of quality audits to assess the effectiveness of its quality assurance system by Nord-Micro, its authorised representatives, its customers or competent aviation authorities (German, EU and US authorities). The supplier must grant these representatives access rights to all facilities and the associated records during normal business hours and after prior notification, insofar as this is necessary to carry out the quality audit or to carry out an order placed by Nord-Micro in accordance with the contract.

## **X. Product Liability and Insurance Coverage**

1. In the event of product damage, the supplier has the obligation to indemnify and hold harmless Nord-Micro against any damage claims asserted by third parties insofar as the supplier is responsible for the product damage [and the supplier himself is liable in relation to third parties or obliged to pay compensation internally].
2. The supplier has the obligation to procure adequate insurance coverage. This means in particular that the supplier has to conclude and maintain, in addition to general liability insurance, a production downtime insurance and in addition to product liability insurance an extended aviation product liability insurance of appropriate scope, relevant if the general liability insurance and/or product liability insurance do not cover the risk of the order. The insurance policies must be shown to Nord-Micro at its request.

## **XI. Property Rights**

1. The supplier obligates to deliver the products free of third party property rights.
2. If claims are made by a third party against Nord-Micro or a customer because of a property rights violation, Nord-Micro will promptly inform the supplier upon becoming aware thereof.
3. In this case the supplier shall at its own expense take all necessary measures, including court action, to enable Nord-Micro and their customers to further distribute respectively use the products. By agreement with the supplier and after its approval Nord-Micro shall have the right to take appropriate action itself at the supplier's expense. The supplier shall not be entitled to enter into a settlement that influences the rights and interests of Nord-Micro without the express written consent of Nord-Micro, and Nord-Micro shall not arbitrarily withhold such consent. If the supplier does not succeed in providing Nord-Micro or its customers with an unrestricted right of use, Nord-Micro shall have the right to rescind or terminate all contracts for an important course concerning the products affected. Claims of damages remain unaffected. The supplier shall indemnify Nord-Micro and their customers against all obligations arising from any violation of third party property rights through the usual or contractually preconditioned use, unless the supplier proves that he is not responsible for the violation.

## **XII. Tools, Forms, Models**

1. The supplier must not pass on to any third party nor use other than for the contractual purposes the tools, forms, models, samples, drawings, calculation documents as well as manufacturing instructions provided by Nord-Micro, or objects manufactured on that basis, without Nord-Micro's prior written consent. They must be protected against unauthorized inspection or use and marked as Nord-Micro's property. The supplier shall bear the costs of storage and maintenance. The same shall apply to parts made according to Nord-Micro's specifications, drawings or models and to special equipment, matrices and the like suitable for their manufacture.
2. In the event of a violation of the above duties and upon the end of the supply relationship, Nord-Micro can demand that the objects delivered and owned by Nord-Micro be returned to Nord-Micro.
3. If the supplier is the co-owner of the above-mentioned objects, Nord-Micro is entitled to, in the event of a violation of the obligations named in paragraph 1 or upon the end of the supply relationship demand, that the supplier transfer to Nord-Micro its co-ownership share in exchange for payment of the market value.

## **XIII. Materials Provided**

1. Nord-Micro retains title to material provided by it. It must be separately stored, labelled and managed. The supplier must protect it against loss with the due care of a prudent businessman and, if necessary, insure it. The material provided by Nord-Micro may be used only for its intended purpose. If no other use has been agreed on, waste and scrap of material provided by Nord-Micro shall at Nord-Micro's option either be returned to Nord-Micro or properly disposed of by the supplier.
2. If material provided by Nord-Micro is inseparably combined with other goods that do not belong to Nord-Micro, Nord-Micro shall acquire co-ownership of the new good in the proportion of the value of the goods subject to retention of title to the other combined good at the time of their combination. If they are combined in such a way that the supplier's good is to be regarded as the main good, it is hereby agreed that the supplier shall transfer co-ownership to Nord-Micro on a pro rata basis; the supplier shall hold sole title or co-title for Nord-Micro free of charge.

## **XIV. Confidentiality**

The supplier must treat all knowledge concerning Nord-Micro's products, manufacturing processes and operating secrets which he becomes aware of on the basis of the contractual relationship confidentially. This obligation shall continue to apply even after the end of the business relationship. The supplier must impose the same confidentiality obligation upon its employees and other staff. The duty of confidentiality shall not apply to information, a) which is generally known, b) of which the supplier had already gained knowledge

at the time of conclusion of the contract without breaching confidentiality obligations or c) the disclosure of which is required by court order or official order.

## **XV. Export Control and Customs**

The supplier has the obligation inform Nord-Micro in its business documents about any approvals required in order to (re)export its goods pursuant to European, US export and customs regulations, and the export and customs regulations of the country in which the goods originated. In this connection, the supplier shall provide the following information for any such goods in, at minimum, its quotations, order confirmations, and invoices:

- the export list number in accordance with Annex I to Regulation (EC) No. 429/2009 or Annex AL pursuant to the German Foreign Trade Regulation [Außenwirtschaftsverordnung], or comparable designations pursuant to relevant export lists,
- for US goods, the ECCN (Export Control Classification Number) pursuant to the US Export Administration Regulations (EAR),
- [the origin of the goods and/or the commercial origin of its goods and the components of its goods (including technology and software)],
- whether the goods have been transported through the USA, manufactured in the USA [or stored or produced using US technology],
- the harmonized commodity number (HS code) for its goods as well as
- a focal point of contact in its company to clarify potential questions from Nord-Micro's side.

If so requested by Nord-Micro (material classification leaf), the supplier shall provide Nord-Micro in writing with all other foreign trade information on its goods and their components, and inform Nord-Micro without undue delay in writing of any changes to this information (before delivery of the affected goods).

The supplier shall acquire the necessary declarations and permissions for the delivery item, at its own expense, and promptly before delivery. If delivery requires an export authorization, Nord-Micro must be provided with a copy of this export authorization along with delivery, at the latest.

## **XVI. Compliance**

1. The supplier has the obligation to comply with RTX's Code of Conduct for suppliers as in force at the time of entering into the contract and with all applicable laws, regulations and rules, including all anti-corruption laws and rules. The RTX Supplier Code of Conduct is available on the RTX website (<https://www.rtx.com/who-we-are/ethics-and-compliance>).
2. If the supplier breaches this obligation, Nord-Micro shall be entitled to terminate all existing contracts with the supplier in writing without notice and without further obligations or liability towards the supplier. The supplier shall indemnify and hold Nord-Micro harmless from and against all damages, losses, withholding of payments, claims and demands of third parties arising out of or in connection with this termination, unless the supplier proves that he is not responsible for the breach of duty.
3. An important goal of Nord-Micro is to guarantee its customers the highest level of security for its products. This commitment to aviation safety shall be included in all of Nord-Micro's external activities. It is also part of our approvals from the aviation authorities, in particular from EASA, and is therefore binding for the continuation of our operational business.  
To ensure full compliance, NM expects its business partners to live and adhere to the following requirements in their company:

### Open error culture (Just Culture)

By promoting an open error culture, all employees are encouraged to transparently communicate potential quality problems and risks to ensure the safety and quality of your products and services. Reporting of any quality problems by all employees is encouraged without retaliation.

If counterfeit parts or suspected unapproved parts are detected, they will be quarantined and not brought back into use (e.g. by returning them to the distributor). Nord Micro will immediately be notified with the information required to identify any other affected products.

#### Human Factors

The human factors shall be taken into account as an important aspect in the aviation industry according to EASA Part-21 and Part-145. EASA particularly emphasizes on the consideration of human performance to ensure error-free products and services. Therefore, it is important to pay attention on factors that influence performance, including break times, working hours, suitable environmental conditions such as lighting, climate, noise pollution, etc.

(Note: this is already achieved by complying with labor law requirements, but in the case of specific difficult activities, additional measures may also be necessary).

### **XVII. Data protection**

The Parties undertake to observe the applicable statutory data protection provisions, in particular the GDPR. If Nord-Micro should exceptionally commission the Supplier with the processing of personal data, the Supplier will handle the processing exclusively by way of a processing within the meaning of Art. 28 GDPR in accordance with the instructions and for the purposes of Nord-Micro. In that case the Parties will additionally conclude a corresponding agreement on the processing.

### **XVIII. Further Provisions**

1. Nord-Micro shall be entitled to terminate for important cause or rescind from all contracts with the supplier, also if already partially performed, if the supplier has failed to fulfil its material contractual duties, that is, duties that Nord-Micro can expect to be fulfilled and that it is entitled to assume will be fulfilled and Nord-Micro has justifiably lost its trust in proper performance of contractual duties in the future. This usually requires a prior warning by Nord-Micro, unless the breach of duty is so serious that, after weighing the interests of both parties, such a termination of all contracts is justified. Further contractual or statutory termination and rescission rights remain unaffected.
2. The supplier is obliged to supply parts to Nord-Micro at acceptable conditions also after the end of the supply relationship, and if need be to support Nord-Micro in the case of repairs. This obligation shall end 10 (ten) years after the last delivery is made.
3. Contractual rights and obligations arising from the business relationship must not be assigned by the supplier without Nord-Micro's written consent. The supplier may set off claims only with claims undisputed by Nord-Micro or awarded by court judgement; the same shall apply to the assertion of any retention rights.
4. The place of destination and the place of performance for all obligations under agreements between the supplier and Nord-Micro is Nord-Micro's domicile at Victor-Slotosch-Straße 20, 60388 Frankfurt am Main.
5. Insofar as individual provisions of these Terms and Conditions of Purchase require declarations to be made in "writing", electronic submissions pursuant to § 126a BGB (German Civil Code) or in text form pursuant to § 126b BGB (German Civil Code) shall suffice to comply with this formal requirement, unless expressly stated otherwise.
6. Should any provisions be or become invalid, the validity of the remaining provisions of these General Terms and Conditions of Purchase shall remain unaffected thereby. The invalid provision shall be replaced by the statutory provisions.
7. German law shall be applicable between the parties, excluding the United Nations Convention on Contracts for International Sale of Goods (*CISG*).
8. If the supplier is a merchant, a legal entity under public law or a special fund under public law, the place of jurisdiction for all disputes arising out of or in connection with the contract shall be Frankfurt am Main. This place of jurisdiction shall apply exclusively to the supplier. Nord-Micro is also entitled to file suit against the supplier at its place of general jurisdiction.