

## General Terms of Purchase

### 1. The Contract

#### 1.1. General Statement of Work

The legal relationship between SUPPLIER and RECARO is based exclusively on the following terms and conditions and any other individual agreements duly signed by RECARO and SUPPLIER. SUPPLIER agrees to sell and RECARO agrees to purchase Products in accordance with these General Terms of Purchase. SUPPLIER shall manufacture or assemble and deliver to RECARO the quality and quantity of Products required based upon the delivery schedule provided for in the mutually accepted RECARO Order(s) released. SUPPLIER shall provide all parts, labor, and materials necessary to perform SUPPLIER's obligations hereunder. RECARO shall be entitled to request, subject to mutually agreeable adjustment of price, that SUPPLIER shall purchase specific material or parts for the manufacture or assembly of the Products. Notwithstanding the foregoing, SUPPLIER agrees to manufacture and assemble Products in accordance with the agreed specifications, RSP 348, statement of work, and quality documents and the Products must be manufactured to meet the requirements of (E)TSO C127 and/or FAR 25.562, as specified by RECARO. The Products shall be designed to the current requirements of (E)TSO C39, C72, C127 and/or FAR 25 Amendment 25.64, as applicable. RECARO and SUPPLIER agree that RECARO Sites shall be entitled to place orders with SUPPLIER subject to these General Terms of Purchase. SUPPLIER agrees to supply Products and provide Services, as defined in the RECARO-Order to such RECARO Sites subject to these General Terms of Purchase.

The RECARO Sites that shall be entitled to place RECARO-Orders are:

- RECARO Aircraft Seating GmbH & Co. KG,
- RECARO Aircraft Seating Americas, LLC
- RECARO Aircraft Seating (China) Co., Ltd.
- RECARO Aircraft Seating Polska Sp. z o.o.
- AAT Composites (PTY) Limited,

individually referred to as "RECARO Site" and collectively referred to as "RECARO Sites".

The respective RECARO Site that issued a RECARO-Order shall have all rights deriving from that RECARO-Order in connection with these General Terms of Purchase.

Any of the RECARO Sites shall be entitled to set-offs, deductions and claims against SUPPLIER or SUPPLIER's subsidiaries which are based on a relationship between SUPPLIER or SUPPLIER's subsidiaries with any other RECARO Site.

SUPPLIER shall be entitled to employ its own affiliates to supply the Products and provide its Services to the RECARO Sites, without prejudice to all other requirements pursuant to these General Terms of Purchase.

#### 1.2. Offer and Acceptance

RECARO shall be entitled to place orders with the SUPPLIER as follows:

- By issuing a purchase order (PO),
- By issuing a delivery schedule,
- By issuing delivery schedule call-offs.

Each of these options to place an order shall be referred to as a "RECARO-Order".

A RECARO-Order is RECARO's offer to purchase the products ("Products") and services ("Services") identified in that RECARO-Order. SUPPLIER shall acknowledge in writing its acceptance of the RECARO-Order. SUPPLIER shall be deemed to have accepted a RECARO Order as issued if SUPPLIER fails to object to it in writing within three (3) calendar days after receipt and has begun or later begins performance under the RECARO-Order. Upon acceptance, the RECARO-Order together with these General Terms of Purchase and any other documents specifically incorporated in the RECARO-Order or separately agreed to in writing, such as specifications, drawings, requirements of RECARO's customer, or quality requirements, shall become a binding contract between RECARO and SUPPLIER (collectively, the "Contract"). All documents and agreements not specifically incorporated in the RECARO-Order shall be excluded. If SUPPLIER timely objects to a RECARO-Order or proposes alternate or additional terms, the RECARO-Order shall become a Contract only if and when RECARO and SUPPLIER mutually agree in writing, even if SUPPLIER commences or has commenced performance under the RECARO-Order. Specific terms and conditions on the RECARO-Order and the other documents comprising the Contract shall take priority over any inconsistent provisions of these General Terms of Purchase. A RECARO-Order can be issued either in writing or in electronic form (Web-EDI or similar).

SUPPLIER acknowledges that order processes may vary from RECARO Site to RECARO Site. SUPPLIER agrees to comply with the order management specifics of each RECARO Site. In case of ambiguities or missing information, SUPPLIER shall contact the respective RECARO Site immediately and seek clarification or instructions.

#### 1.3 Forecast.

RECARO shall be entitled, but not obliged to periodically send SUPPLIER written forecasts specifying delivery requirements for the Products for specific periods of time. SUPPLIER agrees to purchase material to actual lead times in support of the forecast. SUPPLIER shall support the forecast provided by RECARO, including any agreed upon safety stock.

Such forecast is for planning purposes only with respect to production capacity and/or material availability. It shall not be construed as a guarantee or a minimum

purchase amount. RECARO makes no commitment with respect to the amount of Product to be purchased. If an amount and / or schedule adjustment is made pursuant to section 1.4 or 1.5, a new RECARO-Order forecast shall be provided by RECARO to SUPPLIER.

#### 1.4 Contract Changes and Amendments.

RECARO shall be entitled to, from time to time, request reasonable changes, within the scope of a Contract, to the drawings, specifications, materials, packaging, testing, quantity, time or method of delivery or shipment, or similar requirements prescribed in such Contract. All requests for changes shall be submitted in writing with appropriate supporting documentation. The parties shall agree upon an equitable adjustment to the Contract prices and times for performance, if necessary, as a result of the agreed changes.

All written Contract changes shall be executed by the authorized representative(s) of each party and shall become effective based upon the agreed upon implementation date provided for in the Contract amendment. Neither party shall unreasonably withhold or delay consent to a Contract change proposal.

#### 1.5 RECARO-Order Rescheduling or Cancellation.

RECARO reserves the right to extend the Product delivery schedule(s) provided for in the originally accepted RECARO-Order with an eight (8) week written lead time notification. No additional cost shall be borne by RECARO for this type of change.

RECARO shall be entitled to cancel any RECARO-Order or any portion thereof for any reason by notifying SUPPLIER in writing prior to the scheduled delivery date(s) on the RECARO Order(s).

If RECARO declares such cancellation with at least eight (8) weeks prior notice to the delivery date, RECARO shall not bear any costs with respect to the cancellation and shall not be obliged to accept deliveries.

If RECARO declares such cancellation with less than eight (8) weeks prior notice to the delivery date, RECARO shall pay to SUPPLIER the reasonable costs for unfinished Products and of commodities which SUPPLIER has used exclusively for RECARO within the parameters of a reasonable disposition thereof and which SUPPLIER cannot use for any other purpose.

On receipt of a written notice of cancellation, SUPPLIER shall

- immediately stop work;
- terminate its subcontractors and RECARO-Orders related to work cancellation;
- settle any cancellation claims, provided that RECARO shall approve the amount of the cancellation claim prior to such settlement; and
- preserve and protect all cancelled inventory and Products for return to RECARO.

In the event of a cancellation, SUPPLIER shall make every effort to utilize all work in process to minimize cancellation costs. Any material procured outside of the lead time without prior written consent of RECARO shall be the sole responsibility of SUPPLIER.

For a period of three (3) months following receipt of the written notice of cancellation, SUPPLIER shall have the right to submit a claim to RECARO for payment. Such claim shall contain sufficient detail to explain and document the amount claimed, including detailed inventory schedules and a detailed breakdown of all costs. If SUPPLIER fails to submit a cancellation claim within the time period set forth above, RECARO shall have no obligation for payment. RECARO shall be entitled to inspect all completed Products, all partially completed Products, and all purchased components of the Products included in the cancellation claim. After reviewing the cancellation costs, the parties shall endeavor to agree on a mutually satisfactory statement of the cancellation costs.

Once the amount of the cancellation costs has been agreed, SUPPLIER shall transfer title of all completed Products, all partially completed Products, and all purchased components of the Products to RECARO upon receipt of a RECARO-Order.

SUPPLIER shall make disposition of or transfer such Products within thirty (30) days after the RECARO-Order has been received. If directed by RECARO, SUPPLIER shall ship the Products to RECARO based upon the previously agreed upon shipping terms.

## 2. Products and Services.

#### 2.1 Product Acceptance.

SUPPLIER shall manufacture and / or assemble the Product(s) in accordance with the agreed upon Contract. SUPPLIER shall, at its cost, provide data and documentation in order for RECARO or RECARO's designated representative to obtain the Supplemental Type Certificate (STC) required for installation and operation of the Products by RECARO or RECARO's customer. Such data and documentation shall be provided by SUPPLIER in a timely manner so that necessary certificates or approvals are obtained prior to delivery of the first Product of each type to RECARO. At the time of delivery, the Product(s) shall meet all applicable requirements of the FAA, EASA or any other agencies having the same or similar jurisdiction for operation by RECARO or RECARO's customer in domestic and international airline transport service.

Product(s) failing to meet the requirements set out in the Contract (which includes the specific Product specifications) will not be accepted by RECARO. Furthermore, the cost required to modify the Product in order to meet the requirements set out in the Contract shall be borne solely by SUPPLIER.

## 2.2 Weight Guarantee.

As weight is a significant factor in aircraft components, SUPPLIER guarantees that the weight of the Products per delivery does not exceed the weight specified in the construction documents or drawings ("Guaranteed Maximum Weight"). SUPPLIER shall provide a weight list for each delivery. SUPPLIER hereby acknowledges and agrees that providing the Product(s) with final weights exceeding the Guaranteed Maximum Weight shall constitute a material breach of the Contract resulting in damage to RECARO, the exact amount of which is impossible or impractical to determine at this time. Should RECARO agree to accept and use the Product(s) despite SUPPLIER's failure to deliver the Product(s) in accordance with the Guaranteed Maximum Weight, a reasonable estimate of RECARO's damage shall be calculated as follows: SUPPLIER shall pay RECARO a sum equal to seven (7) Euro/gram exceeding the Guaranteed Maximum Weight. The right to demand such payment shall apply whether or not SUPPLIER was notified upon delivery of the Product(s). RECARO shall be entitled to deduct and retain due damages from current payment obligations to SUPPLIER.

However, RECARO shall not be excluded from asserting claims based on the exceeding of the Guaranteed Maximum Weight as provided by the Contract or applicable law, provided that payments already made by SUPPLIER shall be taken into account.

Considering the criticality of the aircraft weight, the achievement of the Guaranteed Maximum Weight shall not release SUPPLIER from designing the Products to minimum values consistent with the specified performance for the Products. Notwithstanding the above, RECARO shall have the right to require SUPPLIER to commit to a weight reduction campaign and a review of the Guaranteed Maximum Weight accordingly. SUPPLIER hereby agrees to support RECARO by seeking and proposing trade-off solutions and improvements to the design and manufacture of the Products for the purpose of achieving reductions in the Guaranteed Maximum Weight.

## 2.3 Product Changes.

Any SUPPLIER initiated change or addition to a Product or its method of production that may alter the operativeness, weight, user safety, installation features, service / functional life or the external appearance of the Product requires the prior written consent of RECARO as outlined in section 1.4.

RECARO shall be entitled to request changes after the successful acceptance of the design of the Product or acceptance of the first article inspection (FAI) in any of the following (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packaging methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) time of performance (i.e. hours of the day, days of the week, etc.) and (vi) place of performance. SUPPLIER shall in turn provide RECARO with a proposal for incorporating the changes within four (4) calendar days. Such proposal shall include any anticipated impact on the Product cost, weight or development time. As part of the proposal, SUPPLIER shall include the number of calendar days RECARO has to evaluate and respond to the proposal without impacting the currently agreed upon delivery date(s). Any agreed upon changes shall be in writing and pursuant to section 1.4.

## 2.4 Current-Model Service Requirements.

SUPPLIER shall make the Product(s) covered by a Contract available to RECARO for RECARO's current-model service requirements at the then-current production prices under the Contract.

## 2.5 Past-Model Service Requirements.

At the end of the aircraft seat production program in which Products covered by the Contract are incorporated, SUPPLIER shall make those Products available to RECARO for past-model service requirements for a period of fifteen (15) years after the end of the aircraft seat production program. The parties shall negotiate in good faith the prices, quantities, and delivery terms for past-model service Products based on the availability and cost of needed materials, supplies, and skilled workers, the additional costs for equipment setup, packaging, shipping and handling, related Services, and other relevant factors.

## 2.6 Proprietary Product.

Products developed with and / or for RECARO are considered proprietary and shall not be sold to any third party without the express prior written consent of RECARO. It is understood and agreed that these General Terms of Purchase grant SUPPLIER only a license to manufacture the Products during the term of the Contract. During the term of the Contract, SUPPLIER shall not compete with RECARO in the manufacture or sale of (a) the Products or (b) any other parts installed on seats sold by RECARO. It is understood that the RECARO parts may be new BFE or replacement parts for seats previously sold by RECARO. SUPPLIER shall not attempt to obtain Parts Manufacture Approval ("PMA") from the FAA, EASA or any other competent airworthiness authority for any RECARO parts. In addition, SUPPLIER shall not "reverse engineer" any RECARO parts or design, manufacture, or sell any part or component to be used on any RECARO designed seat for SUPPLIER's own account or the account of any third party, including without limitation airlines, except as expressly permitted by RECARO in writing.

## 2.7 Exclusivity.

Unless otherwise specifically stated in the respective Contract, such Contract shall not be exclusive and RECARO shall be entitled to purchase similar products and services from third parties.

## 2.8 Obsolescence Management

SUPPLIER shall be obliged to make declarations (at least yearly) to the life cycle and to the obsolescence risk of its Products and to provide such information to RECARO Sites in writing without request by RECARO.

## **3. Delivery.**

### 3.1 Delivery Performance.

SUPPLIER shall deliver Products and Services in strict accordance with the Contract terms. SUPPLIER shall maintain a one hundred percent (100%) on-time delivery. SUPPLIER shall notify RECARO immediately of any anticipated late deliveries and any impending plant or facilities shutdown for any reason, including vacation, tool repair, labor difficulties, or government order. In the event SUPPLIER is delinquent delivering Products to RECARO in accordance with the mutually agreed upon delivery schedule, for reasons other than Force Majeure, SUPPLIER shall deliver Products to RECARO in the most expeditious manner possible. In this regard, SUPPLIER agrees to cooperate by taking extraordinary measures at SUPPLIER's expense to avoid or minimize any delivery delays which shall include, but shall not be limited to, expedited manufacture, expenditure of premiums for parts, expenditure of premium labor cost and the payment of premium transportation costs associated with the delivery of the Products.

Early deliveries before the agreed delivery date shall be avoided. If the SUPPLIER delivers more than two (2) calendar days prior to the agreed upon delivery date, RECARO reserves the right to refuse to accept the Products or accept the Products on the condition that SUPPLIER assumes responsibility for all costs resulting from such early delivery. The aforesaid shall not apply for deliveries of spare parts.

### 3.2 Non-Conforming Product.

In the regular course of its business, RECARO shall be entitled to reject, refuse acceptance, or revoke acceptance of any or all of the Products which are not strictly in conformance with all of the requirements of the RECARO-Order and the applicable drawings, designs and specifications and by notice, rejection tag, or other communication, RECARO shall notify SUPPLIER of such rejection. The specific quantities of Products set forth in the delivery requirements shall be delivered in full compliance with such itemized delivery schedule and shall not be changed by SUPPLIER without prior written consent of RECARO. RECARO shall be entitled to reject and return at SUPPLIER's cost any Products shipped by SUPPLIER to RECARO without RECARO's prior authorization.

Any Products ordered by RECARO from SUPPLIER are subject to inspection and acceptance by RECARO within thirty (30) days after receipt at RECARO's designated facility. RECARO reserves the right to reject Products that are not strictly in accordance with the applicable specifications. Non-conforming Products shall be returned to SUPPLIER at SUPPLIER's expense to a location directed by SUPPLIER. In addition to any other compensation provided for herein that may be applicable, SUPPLIER shall promptly correct or replace, without expense to RECARO if SUPPLIER is at fault, any Products not conforming to the specifications, when notified of such non-conformance by RECARO. In the event SUPPLIER fails or is unwilling or unable to so correct or replace within twenty-four (24) hours from notification, RECARO shall be entitled to correct or replace such Products, or have such work performed by a third party and recover from SUPPLIER the cost of such correction or replacement, in addition to any other legal remedies available at applicable law or in equity.

### 3.3 Delays in Delivery.

Any agreed delivery dates are binding. If SUPPLIER is at fault (issues falling within SUPPLIER's sphere of influence or responsibility) and not meeting the agreed delivery dates or quantities, SUPPLIER shall compensate RECARO for the damage incurred by RECARO as a result of such delay.

If the delivery of any Product ordered within the stated lead time is delayed beyond the scheduled delivery date agreed to by both parties, SUPPLIER agrees to pay to RECARO liquidated damages in the amount of five percent (5%) of the RECARO-Order value for each day, or part of a day thereafter, subject to a maximum of twenty percent (20%) of the RECARO-Order value. SUPPLIER shall reimburse RECARO for any charges levied by RECARO's end customer provided that SUPPLIER is the sole cause for such delay, and provided that RECARO makes good faith effort to mitigate any damage. The liquidated damages provided for herein shall be a genuine pre-agreed estimate of the loss suffered by RECARO and shall not be a penalty. RECARO's right to claim for compensation according to applicable law shall remain unaffected, provided that the actual damage exceeds the liquidated damages. RECARO shall be entitled to deduct and retain due liquidated damages from current payment obligations to SUPPLIER.

### 3.4 Delivery Terms.

SUPPLIER shall deliver the Products according to the mode of transport as specified by the respective Incoterms in the RECARO-Order to the facility designated by RECARO. The Incoterms 2020 published by the International Chamber of Commerce (ICC) shall apply. The delivery date mentioned in the RECARO-Order shall be deemed to be the date at which the Products shall be received at the respective RECARO Site (on-dock date). The delivery date as per Incoterms 2020 shall be calculated by SUPPLIER in consideration of the on-dock date and the transportation times set forth in the routing order provided by RECARO.

RECARO shall be entitled to provide SUPPLIER with a routing order, whose content shall be binding to SUPPLIER.

SUPPLIER shall be proactive in notifying RECARO immediately of the origin of new Products or a change in origin of existing Products. SUPPLIER shall be liable for any and all delays, misclassifications or failures to properly identify Products with the proper aircraft parts designation on the delivery documents necessary to avoid the payment of duties by RECARO.

SUPPLIER shall observe the following delivery rules for spare parts:

AOG:	Deliveries shall be ready for shipment within max. 4 hours after receipt of the RECARO-Order. SUPPLIER shall choose the quickest possible way of transport, which shall be agreed with RECARO in each individual case.
Critical Order:	Deliveries shall be received by RECARO within max. 7 calendar days after receipt of the RECARO-Order by SUPPLIER.
Expedite Order:	Deliveries shall be received by RECARO within max. 15 calendar days after receipt of the RECARO-Order by SUPPLIER.
Routine Order:	Deliveries shall be received by RECARO within max. 35 calendar days after receipt of the RECARO-Order by SUPPLIER.

### 3.5 Packing and Shipment.

RECARO and SUPPLIER shall mutually agree to the packing and method of transportation and the type and number of packing slips and other documents to be provided with each shipment. The Products shall be packed and shipped by SUPPLIER in accordance with RECARO's instructions and good commercial practice and so to ensure that no damage shall result from weather and transportation. The following documents shall be attached to every delivery and shall be visible on the transport packaging:

- Two copies of the delivery note in English language
- Two copies of the Certificate of Conformity (COC) in English language
- any other documents as agreed between the parties.

The delivery note shall include at a minimum the following (i) SUPPLIER's name, address and phone number, (ii) RECARO-Order number and item number, (iii) legible packing slip number, (iv) RMA or rejection tag number, if applicable, (v) SUPPLIER's certification that the Products comply with the RECARO-Order requirements, (vi) a barcode to identify the Products to be sold to RECARO pursuant to applicable specifications approved by RECARO for the purpose of warehouse management.

SUPPLIER acknowledges that the accompanying documents as stipulated above are of essential importance to RECARO. Without completeness of such accompanying documents, RECARO is unable to process SUPPLIER's delivery. Therefore, incompleteness of accompanying documents shall constitute a delay in delivery pursuant to section 3.3 of these General Terms of Purchase, including SUPPLIER obligation to pay liquidated damages.

### 3.6 Warehousing

SUPPLIER shall ensure a timely performance and delivery to the RECARO Sites. Warehousing and logistics, however, shall be entirely at SUPPLIER's sole responsibility and risk, unless otherwise explicitly agreed in writing.

## **4. Payment Terms.**

### 4.1 Payment Documentation.

Invoices shall be sent to RECARO in duplicate and shall contain the SUPPLIER's number, number and date of the RECARO-Order and the delivery address. Each invoice shall relate to one (1) delivery note.

### 4.2 Payment Amount and Discounts.

Net payment shall be made by RECARO to SUPPLIER in the amount and currency quoted and accepted by both parties under the Contract within one hundred and eighty (180) calendar days of receipt and acceptance of the Products and the associated proper documentation. Any charges, fees and expenses of RECARO's bank shall be borne by RECARO. Any charges, fees and expenses of SUPPLIER's bank shall be borne by SUPPLIER.

In the event of a short quantity delivery or unaccepted Products, RECARO shall be entitled to proportionately withhold payment until proper fulfillment.

RECARO shall be entitled to offset or deduct sums owed to SUPPLIER under the Contract from those sums owed by SUPPLIER to RECARO and agreed to between the parties or upon final determination by dispute resolution.

### 4.3 Pricing.

SUPPLIER warrants that the prices offered to RECARO do not and at all times shall not, exceed SUPPLIER's price to any other customer for a substantially similar product in substantially similar volumes, and under commercial terms and conditions similar to those of the Contract. In the event that SUPPLIER sells or offers to sell Products to customers other than RECARO at prices lower than those agreed in the Contract, SUPPLIER shall: 1) notify RECARO in writing within five (5) calendar days of such offer or sale (such notice shall include the price, quantity, payment terms, and other material conditions allowing for such lower price), and 2) make available to RECARO the option to purchase Products at such lower price under the same terms as those offered to other customers.

The purpose of the cooperation between RECARO and SUPPLIER is an ongoing price reduction / profit maximization. For this reason, SUPPLIER agrees to review the production process continuously for rationalization and price reduction measures and introduce such measures wherever possible. Any savings achieved by SUPPLIER as a result thereof shall be passed on to RECARO in an appropriate manner.

RECARO and SUPPLIER shall negotiate a price adjustment if changes in specifications reduce SUPPLIER's production work and costs or if rationalization and cost reduction measures are possible. Such price changes shall be implemented in the form of a written agreement.

### 4.4 Assignment.

SUPPLIER shall not be allowed to assign its accounts receivables or use a third party billing to collect on its accounts from RECARO without RECARO's prior written consent.

## **5. Product Warranties.**

### 5.1 SUPPLIER Warranties.

SUPPLIER guarantees to RECARO that (1) during the warranty period specified in the Contract, the Products shall be (i) free from defects in workmanship and materials, and (ii) shall conform to the specifications, drawings, samples, and performance requirements specifically incorporated in the Contract, and (iii) shall conform to the established rules of technology and that (2) SUPPLIER shall transfer to RECARO ownership and good title to Products delivered and Services provided, free of all liens, encumbrances, and rights of third parties (except those created by RECARO).

### 5.2 Warranty Period.

The warranty period shall start after acceptance of the delivery by RECARO and the entry into service of the aircraft in which the seats containing the Products are installed.

An exchange of seats that have already been installed into an aircraft that has already been put into operation or the installation of new seats in addition to seats that have already been installed is called a "Retrofit". The warranty period for Products installed in seats that have been supplied as a "Retrofit" shall commence with the date on which the aircraft is put back into operation after the installation of the seats containing the Products.

The warranty period applied to the various types of Products shall be as follows:

Primary structure: seventy-two (72) months  
 "Primary Structure" includes and is limited to the following:  
 track fittings, base legs, base frame, structural tubes and Seat spreader assemblies.

Backrest structure: seventy-two (72) months  
 "Backrest structure" includes and is limited to the following:  
 sheet metal backrest structure, composite backrest structure, backrest attachment devices.

Armrest structure: forty-eight (48) months  
 "Armrest structure" includes and is limited to the following:  
 Composite armrest structures, sheet metal arm structures, armrest attachment devices including, without limitation, specified surface compositions (e. g. textures, colours, coatings etc.).

Moving parts: twenty-four (24) months  
 "Moving parts" includes and is limited to the following:  
 folding armrest structures and attachments devices, articulating bottom pans, footrest and legrest assemblies, adjustable headrests, recline and legrest actuating mechanisms, adjustable lumbar assemblies, hydrolok and their control cables, in-arm mechanisms, videoarm.

Plastic components: twelve (12) months  
 "Plastic components" includes and is limited to the following:  
 vacuum formed parts, injection moulded parts.

Electrical components: twenty-four (24) months  
 "Electrical components" includes and is limited to the following:  
 electrical cables, actuators, electronic control boxes for actuators, electronic control switches.

Decorative covers: twelve (12) months  
 "Decorative covers" includes and is limited to the following:  
 sewing of dress covers, fabric of the life vest pouches, arm pad covers, fabric and leather closeouts.

Foam parts:  
 Seat bottom: twenty-four (24) months  
 Seat back: thirty-six (36) months  
 All other components: eighteen (18) months  
 "All other components" includes, but is not limited to the following:  
 bottom pans, diaphragms, food table structures, food table legs, IFE equipment attachment brackets, life vest pouches, attendant steps.

### 5.3 Warranty Claim.

In the event of the delivery of a defective Product:

SUPPLIER shall have the opportunity at its own expenses to sort out and to rectify the defective Products or to provide RECARO with a replacement delivery, unless such supplemental performance is not reasonably acceptable for RECARO, for example in cases of high urgency or the threat of severe damage. Such supplemental performance shall be provided within twenty-four (24) hours after notification of the defect to SUPPLIER.

If SUPPLIER is unable or unwilling to deliver the supplemental performance within twenty-four (24) hours as described above, RECARO shall be entitled to (i) withdraw from the Contract without setting any further deadlines and to send back the defective Products at SUPPLIER's costs and risk, (ii) procure replacement goods in appropriate quantities from third parties, (iii) carry out or have carried out rectification of the defect by a third party.

In urgent cases in order to maintain production or the threat of severe damage and after notification of SUPPLIER, RECARO shall be entitled to procure replacement goods in appropriate quantities from third parties or carry out or have carried out

rectification of the defect. Any costs incurred by RECARO under either option shall be the responsibility of SUPPLIER.

#### 5.4 SUPPLIER Subcontractors.

SUPPLIER shall designate a warranty representative and shall act as the warranty agent for all parts furnished by subcontractors with the exception of RECARO furnished equipment and RECARO specified equipment. With respect to RECARO specified equipment, SUPPLIER shall assign to RECARO all warranties obtained.

#### **6. Spare Parts.**

Spare parts shall meet replacement needs arising from the exchange of parts of the passenger seat required for maintenance, re-work, repair, modification, overhaul, refurbishment or replacement.

Spare parts shall also include parts delivered in a condition deviating from the series with respect to surface or packaging. The high performance level of spare parts supply is a significant purchasing factor for RECARO customers and as such a significant competitive feature of RECARO products. Consequently, with respect to pricing, quality and observance of delivery dates, spare parts supply has the same importance to RECARO as the supply of the serial Products.

#### 6.1 Production Timeframe.

SUPPLIER shall be obliged to deliver spare parts for at least fifteen (15) years after discontinuation of the specific aircraft seat production program (see section 2.4) or as long as at least five (5) aircraft in which the seats containing the Products are installed are in operation. SUPPLIER shall place its subcontractors under similar obligations to ensure the necessary level of support.

#### 6.2 Exclusivity.

If the Products have been developed by RECARO or for RECARO by SUPPLIER, SUPPLIER shall not supply spare parts to any other party than RECARO. In the event of a culpable breach of the aforesaid obligation, RECARO shall be entitled to charge liquidated damages to SUPPLIER amounting to ten percent (10%) of the RECARO gross list price per sold part. This shall not affect statutory rights and claims of RECARO provided by the applicable law.

SUPPLIER shall not contact any customer directly in terms of spare parts without RECARO's prior written consent.

#### 6.3 Spare Part Pricing.

SUPPLIER agrees to sell spare parts to RECARO at the series price of the series Products.

#### 6.4 Repairable Items

Repairable items with a defined „Turn-Around-Time“, shall be repaired by SUPPLIER within a maximum „Turn-Around-Time“ of fifteen (15) calendar days. In the event SUPPLIER fails to comply with such „Turn-Around-Time“, SUPPLIER shall pay five percent (5%) of the Contract value for each day exceeding the „Turn-Around-Time“ as liquidated damages. RECARO shall have the right to make claims for additional compensation, provided that the actual damage exceeds the amount of liquidated damages paid by SUPPLIER.

#### **7. Tools**

If SUPPLIER is appointed by RECARO also as manufacturer of tools, the parties shall enter into a separate tool manufacturing agreement.

#### **8. Product Liability.**

##### 8.1 Product Liability Insurance.

SUPPLIER shall maintain an adequate product liability insurance coverage during all times of its business relationship with RECARO.

##### 8.2 Indemnification.

SUPPLIER shall indemnify and defend RECARO against third-party claims or demands for injury to or death of persons, property damage, economic loss, and any resulting damage, losses, costs, and expenses (including reasonable legal fees), regardless of whether such claim or demand arises under tort, contract, strict liability, or other legal theories, if and to the extent caused by SUPPLIER's defective design or manufacture of Products or provision of Services, or its negligent acts or omissions in its performance under the Contract. This section shall not apply to the extent that the injury, loss, or damage is solely attributable to RECARO. SUPPLIER shall be liable for any costs resulting from reasonable measures taken by RECARO in order to avert damages which are attributable to SUPPLIER or resulting from RECARO's legal obligation to execute such measures as prescribed by Airworthiness Authorities law (AD), official instruction or court order.

##### 8.3 Product Liability Notification.

RECARO shall notify SUPPLIER promptly after RECARO becomes aware of the basis for a claim under this section 8 of these General Terms of Purchase. The parties shall cooperate with each other to determine the root cause of a defect in or failure of the Product(s) (and related systems and components) and an equitable allocation of responsibility among all responsible parties. SUPPLIER shall be entitled to examine and test all available Product(s) and related systems and components that are subject to a third party claim. The parties shall keep each other continuously informed and coordinated in respect of steps to be taken, in particular the possibility to settle such third party claim.

#### **9. Technical Data and Safety Regulations.**

All deliveries shall comply with the established rules of technology, the agreed technical data as well as the legal and official safety regulations applicable to these General Terms of Purchase.

In view of the fact that the Products will be used to produce aircraft seats, SUPPLIER agrees to optimize production of the Products so as to avoid technical faults, in particular accidents, according to the state-of-the-art and enable RECARO to prove

that state-of-the-art production methods have been used when defending third party claims. Within the context of recording safety data, SUPPLIER agrees to enclose a corresponding safety data sheet according to U.S. Governments requirements for MSDS resp. according to EEC 91/155 with the initial sample test report for all components containing hazardous substances. This shall also apply generally for all surface protection used.

#### **10. Quality Assurance.**

RECARO and SUPPLIER shall enter into a Quality Assurance Agreement. The stipulations of the Quality Assurance Agreement shall form an integral part of the Contract.

#### **11. Compliance with Laws and Code of Conduct.**

SUPPLIER agrees to perform these General Terms of Purchase in accordance with all applicable laws and directives, including anti-bribery and anti-corruption legislation (such as the U.S. Foreign Corrupt Practices Act or the UK Bribery Act). Local legal requirements must be observed, but at least the following obligations.

SUPPLIER shall provide RECARO with material safety data sheets regarding the Products and, upon RECARO's request, shall provide RECARO with other information reasonably required in order to comply with applicable laws.

SUPPLIER agrees not to render, approve, offer, accept or promise, either by itself or through third parties acting on behalf of SUPPLIER, any form of contribution (e. g. bribes, kickbacks, valuables or other benefits) in favour of a public or elected official or another third party (including an employee of RECARO) for the purpose of initiating or continuing business transactions, obtaining other favourable business decisions or obtaining other unlawful advantages, which are in each case connected with RECARO.

SUPPLIER furthermore confirms that it has not rendered, approved, offered, accepted or promised any contribution in connection with RECARO and the Contract, either by itself or through third parties acting on behalf of SUPPLIER.

SUPPLIER shall oblige its subsidiaries, suppliers, business partners, contractors or other third parties, which provide any upstream product or raw material to the Product to be delivered to RECARO pursuant to the Contract or which are commissioned or employed to perform any duties under the Contract vis-à-vis RECARO, to comply with the obligations contained herein.

SUPPLIER undertakes to comply with the expectations of the RECARO Group as expressed in its then current Code of Conduct (<https://www.recaro-as.com/complianceENG.html>), which may be updated by RECARO from time to time.

If SUPPLIER fails to perform any obligation set forth in the Code of Conduct, RECARO shall be entitled to immediately terminate all related Contracts by notice to SUPPLIER. Furthermore, RECARO shall have the rights set forth in section 18.2 (Termination by RECARO) of these General Terms of Purchase.

#### **12. Corporate Social Responsibility, Human Rights and Environmental Protection**

##### 12.1 UN Global Compact

SUPPLIER agrees to comply with the ten principles of the UN Global Compact and the five basic principles of the International Labor Organization (ILO) within the meaning of an essential contractual obligation. SUPPLIER shall demand the same from its business partners.

##### 12.2 Act on Corporate due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains

RECARO must, subject to the obligations of the Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (Lieferkettensorgfaltspflichtengesetz - "Supply Chain Act"), apply adequate human rights and environment related due diligence in its supply chains, with the aim

- to protect any protected legal positions,
- to identify, detect and prevent human rights and environment-related risks,
- to detect and terminate violations of human rights-related and environment-related obligations, and
- to ensure that all its subsidiaries, including the RECARO Sites, equally comply with these due diligence obligations.

Protected legal positions comprise of, among others, but not limited to, the following precepts and prohibitions:

- prohibition of child labor;
- prohibition of forced labor and all forms of slavery, exploitation, humiliation and abuse;
- prohibition of disregard for occupational safety and health and protection from work-related health hazards;
- prohibition of disregard for freedom of association and the right to collective bargaining;
- prohibition of unequal treatment in employment;
- prohibition of the withholding of an adequate living wage;
- prohibition of the destruction of natural resources through environmental pollution;
- prohibition of unlawful infringement of land rights;
- prohibition of the commission or use of private or public security forces which, due to a lack of instruction or control, may lead to harm to life and limb;
- prohibition of any act or omission in breach of duty to act that goes beyond the foregoing and which is directly likely to impair, in a particularly serious manner, a protected legal position within the meaning of section 2 paragraph 2 of the Supply Chain Act and the unlawfulness of which is obvious upon reasonable assessment of all the circumstances in question;

- prohibition of the production, use and/or disposal of mercury pursuant to the Minamata Convention;
- prohibition of the production and/or use of substances within the scope of the Stockholm Convention (persistent organic pollutants - POPs) as well as the non-environmentally sound handling of wastes containing POPs;
- prohibition of the import or export of hazardous wastes within the meaning of the Basel Convention.

Terms used in section 12 (Corporate Social Responsibility, Human Rights and Environmental Protection) shall have the same meaning as in the Supply Chain Act. The Supply Chain Act is available at: [https://www.csr-in-deutschland.de/SharedDocs/Downloads/EN/act-corporate-due-diligence-obligations-supply-chains.pdf?\\_\\_blob=publicationFile](https://www.csr-in-deutschland.de/SharedDocs/Downloads/EN/act-corporate-due-diligence-obligations-supply-chains.pdf?__blob=publicationFile).

### 12.3 SUPPLIER'S Undertakings

SUPPLIER undertakes to render any service and to fulfil any of its obligations pursuant to these General Terms of Purchase in compliance with the protected legal positions and thereby not to cause any human rights and environment-related risk or any violation of a human rights-related or environment-related obligation. This undertaking applies to the extent, that it does not violate any binding mandatory law applicable to SUPPLIER. If any applicable law prohibits SUPPLIER's compliance with any of the protected legal positions or identification, prevention, and termination of any human rights and environment-related risk or violation of a human rights-related or environment-related obligation, SUPPLIER shall immediately notify RECARO of the contradicting regulation in written form.

If RECARO requests information from SUPPLIER in context of its risk analysis to be carried out in accordance with the Supply Chain Act in order to identify or assess human rights or environment-related risks, SUPPLIER shall provide RECARO adequately with the required information to the extent permitted by applicable law. SUPPLIER agrees that for the purposes of its risk analysis, RECARO transfers relevant information on the contractual relationship with SUPPLIER to a third party specialized on risk analysis that processes the information on behalf of RECARO.

RECARO may request SUPPLIER to participate in human rights and environment-related trainings. If RECARO provides SUPPLIER with a corresponding training, SUPPLIER shall participate in it. Alternatively, SUPPLIER shall provide RECARO with evidence that an adequate comparable training has been conducted.

If, in relation to the performance of obligations under the Contract, SUPPLIER identifies or otherwise gains knowledge of a potential violation of a human rights-related or environment-related obligation in its business operations, SUPPLIER undertakes to inform RECARO without undue delay of this and of the measures it has taken as a consequence.

If RECARO becomes aware of a risk or violation within the meaning of the Supply Chain Act in SUPPLIER's supply chain, RECARO may request SUPPLIER to immediately investigate the potential risk or violation itself or audit SUPPLIER occasion-related in accordance with section 12.4 (Audits). If RECARO requests SUPPLIER to conduct its own investigation, SUPPLIER shall coordinate the investigation with RECARO and inform RECARO regularly or upon request in writing about its status and results. Upon RECARO's request, persons designated by RECARO may participate in the investigation on-site. To the extent available and permissible under applicable law, SUPPLIER shall provide RECARO with all relevant documents, information, and evidence necessary to evaluate the investigation and its results.

If an investigation by SUPPLIER or an audit pursuant to section 12.4 (Audits) reveals that a violation of a human rights-related or environment-related obligation in SUPPLIER's supply chain has occurred or is imminent, SUPPLIER is obliged to cooperate with RECARO and to support RECARO with best efforts in taking the measures required by the Supply Chain Act with a view to terminating, avoiding and minimizing human rights and environment related risks or violations of human rights-related and environment-related obligations, in particular in implementing any necessary preventive and remedial measures. While developing and implementing these measures, RECARO may temporarily suspend the business relationship with SUPPLIER including the Contract, except for the obligations resulting from this section 12 (Corporate Social Responsibility, Human Rights and Environmental Protection) and/ or section 13 (Legal Consequences).

SUPPLIER undertakes to inform its employees about the complaints procedure established by RECARO in accordance with the Supply Chain act and how to access it. This information can be found at <https://recaro.integrityline.app>.

### SUPPLIER undertakes

- to inform its suppliers who provide services in connection with the Contract about RECARO's complaint procedure and to use best efforts to oblige them to inform their employees accordingly, and,
- to use best efforts to adequately address and to demand the obligations arising from this section 12 (Corporate Social Responsibility, Human Rights and Environmental Protection) in their own supply chains and to pass them on to their direct suppliers in an obligatory manner.

Upon request, SUPPLIER shall adequately inform RECARO of the results of its efforts.

### 12.4. Audits

Once a year or occasion-related, for example in the event of a significant change in the risk situation or in the event of a suspicion in accordance with section 13 (Legal Consequences), RECARO is entitled, in accordance with the following provisions, to conduct an audit on SUPPLIER's business and industrial premises and within its business operations in the scope necessary to identify and assess human rights and

environment-related risks or violations of human rights-related or environment-related obligations in the supply chain and to assess and determine whether SUPPLIER complies with its obligations pursuant to section 12 (Corporate Social Responsibility, Human Rights and Environmental Protection) ("Audit"):

- RECARO shall notify SUPPLIER with a prior two-weeks' written notice of the Audit.
- RECARO may mandate a third party, which is bound to professional objectivity and secrecy, to conduct the Audit.
- The Audit shall be conducted during SUPPLIER's regular business hours.
- RECARO will ensure that any Audit disturbs SUPPLIER's business operations as little as possible; RECARO will protect confidential information and trade secrets of SUPPLIER as well as the personal data of the persons affected by the Audit.
- SUPPLIER shall cooperate with RECARO and/or the third party mandated by RECARO in an appropriate manner during any Audit by allowing RECARO and/or the third party the necessary level of access to its documents, truthfully answering RECARO's and/or the third party's questions and itself offering truthful information that could be helpful in clarifying the facts. SUPPLIER shall ensure that any consent to pass on and use personal data of persons affected by the review is obtained in writing and that only the necessary scope of personal data is transmitted to RECARO.
- SUPPLIER bears the costs of the Audit.

### 12.5. Requirements regarding subcontractors and subsidiaries

SUPPLIER shall ensure that its subsidiaries and subcontractors comply with the same obligations and that RECARO may audit their premises in accordance with the aforementioned provisions. For RECARO, the same provisions as stipulated in section 12.4 (Audits) apply respectively.

### 12.6. Adjustments

The obligations to be complied with by SUPPLIER pursuant to section 12 (Corporate Social Responsibility, Human Rights and Environmental Protection) may be adjusted at any time depending on the results of the risk analysis continuously conducted by RECARO. SUPPLIER will be informed by RECARO one month prior to the entry into force of any adjustment and has the option to object to this within two weeks from the date of information, of which RECARO will again inform SUPPLIER separately in each individual case.

### 13. Legal Consequences

If SUPPLIER (including any third parties employed, mandated or commissioned by SUPPLIER in connection with the Contract) is suspected of breaching its obligations pursuant to sections 11 (Compliance with Laws and Code of Conduct) or 12 (Corporate Social Responsibility, Human Rights and Environmental Protection), or if the declarations being made pursuant to these clauses are incorrect, RECARO may request SUPPLIER to immediately investigate the suspicion itself or audit SUPPLIER occasion-related in accordance with section 12.4 (Audits).

If RECARO requests SUPPLIER to investigate the suspicion, SUPPLIER shall regularly or upon request inform RECARO of the status of the investigation, and their result. Upon RECARO's request, persons designated by RECARO may participate in the investigation on-site. To the extent available and permissible under applicable law, SUPPLIER shall provide RECARO with all relevant documents, information, and evidence necessary to evaluate the suspicion or the false declaration.

If the suspicion is confirmed, SUPPLIER shall provide RECARO with a written statement of the measures it is taking to end and remedy the identified violation and to prevent future violations. If SUPPLIER fails to comply within a reasonable period of time, or if the measures are not sufficient to end, remedy or prevent future violations according to objective standards, or if it is a repeated violation, RECARO is entitled, notwithstanding any other rights, to terminate the relevant confirmation of services, the relevant service level agreement and/or the Contract as well as any other contractual relationships without further notice.

If a violation by SUPPLIER of its obligations under section 12 (Corporate Social Responsibility, Human Rights and Environmental Protection) is to be assessed as very serious or if any remedial measures pursuant to section 12.3 (Supplier's Undertakings) do not provide a remedy or if there are no milder means for RECARO to end or mitigate the consequences and extent of a violation of human rights-related or environment-related obligations, this shall in each case be deemed an important reason entitling RECARO, notwithstanding any other rights, to terminate the relevant confirmation of services, the relevant service level agreement and/or the Contract as well as any other contractual relationship with SUPPLIER without notice.

Any termination pursuant to this section 13 (Legal Consequences) shall not affect SUPPLIER's obligation to provide any agreed termination support.

### 14. Intellectual Property Rights.

#### 14.1 RECARO's Intellectual Property.

RECARO shall not transfer to SUPPLIER any patent, trade secret, trademark, service mark, copyright, mask work, or other intellectual property right ("Intellectual Property Right") of RECARO in information, documents, or property that RECARO makes available to SUPPLIER under the Contract, other than the right to use RECARO's Intellectual Property Rights to produce and supply Products and Services to RECARO.

#### 14.2 Rights to Development Results.

In the event SUPPLIER carries out development work for RECARO, SUPPLIER shall grant to RECARO an exclusive, irrevocable, transferrable and sub-licensable free-of-charge right of use for all application purposes to the know-how and the results of development work. Inventions made by SUPPLIER which arise in the course of the development work shall be transferred to RECARO in full extent without delay and free of charge.

#### 14.3 SUPPLIER's Intellectual Property.

Except as stated in section 14.2 and this section 14.3, SUPPLIER shall not be obliged to transfer to RECARO any Intellectual Property Right of SUPPLIER related to the Products or Services or incorporated in RECARO's Property, other than the right to incorporate Products purchased from SUPPLIER in aircraft seats and component parts and to sell those aircraft seats and component parts to the public. If a Contract is terminated by RECARO or SUPPLIER (other than for RECARO's Default), SUPPLIER shall grant to RECARO a non-exclusive right and license to use SUPPLIER's Intellectual Property Rights, subject to section 17 of these General Terms of Purchase, to obtain from alternate sources the Products and Services for use in aircraft seating or component parts covered by the terminated Contract. RECARO shall not be obliged to pay any fee for such license if (1) RECARO terminates a Contract for SUPPLIER's Default, or (2) SUPPLIER terminates the Contract other than for RECARO's Default. In all other cases, the parties shall negotiate a reasonable fee for the use of SUPPLIER's Intellectual Property Rights.

#### 14.4 Infringement.

SUPPLIER shall indemnify and defend RECARO and its customers against any claims, liabilities, losses, damages, costs, and expenses, including reasonable legal fees, arising out of the actual or alleged infringement by the Products of a third-party Intellectual Property Right. If a claim under this section 14.4 results, or is likely to result, in an injunction or other order that would prevent SUPPLIER from supplying or RECARO from using the Products for their intended purpose, SUPPLIER shall at its option and expense either (i) secure a license of the Intellectual Property Right that permits SUPPLIER to continue supplying the Products to RECARO, or (ii) modify the Products so that they become non-infringing, so long as the modification does not materially alter the operation or performance of the Products, or (iii) replace the Products with non-infringing but practically equivalent Products.

SUPPLIER shall have no liability under this section 14.4 if and to the extent that a claim of infringement is based on (1) a Product modification made by RECARO or a third party without the consent of SUPPLIER, (2) a Product modification made by SUPPLIER at RECARO's request, (3) use or interconnection by RECARO of the Product in combination with other products not made or sourced by SUPPLIER.

#### 14.5 SUPPLIER's Property.

SUPPLIER shall own all Property that is not RECARO's Property ("SUPPLIER's Property"). SUPPLIER shall at its expense furnish, maintain in good condition, and replace when necessary SUPPLIER's Property needed to perform any Contract. RECARO shall be entitled to purchase SUPPLIER's Property used exclusively to produce the Products and not needed by SUPPLIER to produce products for other customers, for a purchase price equal to the lower of fair market value or SUPPLIER's unamortized acquisition cost.

#### **15. Insurance**

In addition to the product liability insurance as set forth in section 8.1 of these General Terms of Purchase and prior to commencing work on RECARO's premises or utilizing RECARO's property (including RECARO's Property), SUPPLIER shall maintain and upon request furnish to RECARO a certificate evidencing (1) general liability insurance with coverage limits reasonably acceptable to RECARO and naming RECARO as an additional insured, (2) all risk property perils insurance covering the full replacement value of RECARO's Property while in SUPPLIER's care, custody, or control and naming RECARO as loss payee, and (3) worker's compensation insurance as required by applicable law.

#### **16. Export Licenses**

Wherever any Product or parts thereof are subject to export regulations, SUPPLIER shall be responsible in particular degree, at no cost to RECARO (1) to obtain information necessary for export and delivery of the Products to RECARO and (2) to obtain approvals in accordance with these General Terms of Purchase for the global use of the Product. Notwithstanding any other provision of these General Terms of Purchase, SUPPLIER shall be liable for all damages, losses and liabilities incurred by RECARO as the result of SUPPLIER's non-compliance with its obligations under this section.

#### **17. Secrecy and Security.**

##### 17.1 Secrecy

During the term of the Contract, certain business, technical, financial, operational, administrative, marketing, economic and other information of a confidential nature may be exchanged by the parties, either in written, electronic or any other tangible or intangible form or orally, explicitly including without limitation confidential information that qualifies as a trade secret ("Geschäftsgeheimnis") as defined in section 2, point 1 of the German Law for the Protection of Trade Secrets (Gesetz zum Schutz von Geschäftsgeheimnissen – GeschGehG) (hereinafter collectively referred to as „Confidential Information“). The parties are aware of the fact that keeping those information confidential is a very important condition for the business relationship between the parties.

The Confidential Information disclosed by one party (hereinafter referred to as the "Disclosing Party") to the other party (hereinafter referred to as the "Receiving Party") shall be kept secret and confidential by the Receiving Party and its employees and agents for an unlimited period of time, and the Receiving Party shall:

- a) handle, safeguard and protect such Confidential Information from unauthorised or accidental disclosure by the exercise of adequate measures as defined in section 2, point 1 (b) of the GeschGehG, but never less than the degree of care as it employs with respect to information of its own of a similar nature which it does not desire to be published, obtained or disseminated; and
- b) not use such Confidential Information, for purposes other than those provided for under the Contract; and
- c) not reproduce or reverse engineer such Confidential Information, in whole or in part, without identifying such whole or partial reproduction as being Confidential Information; and

- d) not, without the prior written permission of the Disclosing Party, disclose such Confidential Information to any third party nor to employees of the Receiving Party not having a „need-to know“ of same in furtherance of the purpose of the Contract. RECARO Affiliates shall not be deemed to be third parties.

Information shall not be considered to be Confidential Information, and the Receiving Party shall not be liable for the use and disclosure thereof, if the same or similar information:

- a) as shown by written records, was known or available to the Receiving Party prior to receipt from the Disclosing Party; or
- b) becomes known or available to the Receiving Party from a third party having the right to disclose such information; or
- c) as shown by written records, is independently developed by the Receiving Party; or
- d) is or becomes part of the general public knowledge otherwise than as a consequence of breach of obligations under the Contract; or
- e) is disclosed pursuant to judicial action and no suitable protective order, or equivalent, is available.

Where legally possible, these obligations shall continue to apply after the departure of the employee in question.

The parties acknowledge that Confidential Information may be subject to Export Control Laws, including without limitation the Export Administration Regulations (EAR) of the U.S. Department of Commerce. The parties agree that applicable laws and regulations shall not be infringed. The parties hereby commit not to export or re-export Confidential Information against applicable export and import regulations of a country.

After the conclusion of the Contract, all information, data and software programs provided to SUPPLIER by RECARO shall be returned, and any copies made must be destroyed.

In case of a culpable breach of the cardinal contractual obligations as defined in this Section 17.1 by the Receiving Party, the Receiving Party shall pay the Disclosing Party a contractual penalty calculated by the Disclosing Party, using equitable discretion. In case of a dispute, the penalty shall be examined and determined by the competent court as defined in Section 20.1 hereof.

Deletion of information, data and software programs shall be confirmed in writing. Other claims by RECARO shall remain unaffected hereby.

##### 17.2 Security

SUPPLIER undertakes to comply with the expectations of the RECARO Group as expressed in its then current Information Security Requirements for Suppliers, which may be updated by RECARO from time to time. SUPPLIER is obliged to request these from RECARO upon conclusion of the Contract.

If SUPPLIER fails to perform any obligation set forth in the Information Security Requirements for Suppliers, RECARO shall be entitled to immediately all related Contracts by notice to SUPPLIER. Furthermore, RECARO shall have the rights set forth in section 18.2 (Termination by RECARO) of these General Terms of Purchase.

#### **18. Term and Termination.**

##### 18.1 Term.

Generally, each Contract shall remain in effect for the term specified in the Contract (or until terminated if no term is specified) unless earlier terminated by either party by reasonable (but not less than twelve (12) months) prior written notice to the other party.

##### 18.2 Termination by RECARO.

Upon termination of a Contract by RECARO before the end of its specified term (other than for SUPPLIER's Default), RECARO shall purchase completed Products at the Contract price and work-in-process and raw materials at SUPPLIER's actual cost, in each case to the extent reasonable and authorized in RECARO-Orders. No start up or tooling costs shall be reimbursed upon termination. Tooling originally purchased by RECARO shall remain the property of RECARO and shall be shipped to RECARO within thirty (30) calendar days of the Contract cancellation at RECARO's expense. SUPPLIER shall assist RECARO in locating an alternative source for the Products and Services and in moving production to the alternate source selected by RECARO. Any further claims of SUPPLIER resulting from a termination by RECARO shall be excluded.

##### 18.3 Termination by SUPPLIER.

If SUPPLIER terminates a Contract before the end of its specified term (other than for RECARO's Default), RECARO shall be entitled to purchase completed Products at the Contract price and work-in-process and raw materials at SUPPLIER's actual cost, in each case to the extent reasonable and authorized in RECARO-Orders. No start up or tooling costs shall be reimbursed upon termination. Tooling originally purchased by RECARO shall remain the property of RECARO and shall be shipped to RECARO within thirty (30) calendar days of the Contract cancellation at SUPPLIER's expense. Additional costs incurred by RECARO due to relocation of the tooling shall be borne by SUPPLIER. SUPPLIER shall assist RECARO in locating an alternative source for the Products and Services and in moving production to the alternate source selected by RECARO.

#### **19. Default.**

##### 19.1 Events of Default.

Time is of the essence and either party shall be in "Default" under the Contract if it (1) fails to perform any obligation under the Contract and, if the non-performance can be cured, fails to cure the non-performance within five (5) calendar days after notice from the other party specifying the non-performance, (2) admits in writing its inability

to pay its debts as they become due, commences a bankruptcy, insolvency, receivership, or similar proceeding, or makes a general assignment for the benefit of creditors, (3) becomes a debtor in a bankruptcy, insolvency, receivership, or similar proceeding commenced by a third party that is not dismissed within thirty (30) calendar days after commencement, or (4) fails to provide adequate assurance of performance under the Contract within three (3) calendar days after written demand by the other party.

## 19.2 Remedies.

(a) Either party shall be entitled to exercise the remedies provided in this section 19.2, which are cumulative and are in addition to all other rights and remedies available elsewhere in the Contract or by law.

(b) Either party shall be entitled to recover from the other party actual out-of-pocket damages or costs directly caused by the other party's breach of the Contract, regardless of whether the breach subsequently becomes a Default with the passage of time or giving of notice or both. All damages under this section 19.2 shall be reasonably determined based on the nature, type, price, and profitability of the Products or Services, industry practices, and the overall volume, scope, and profitability of other business relationships between SUPPLIER and RECARO.

(c) Upon the occurrence of a Default and while such Default is continuing, the non-defaulting party shall be entitled to terminate the Contract by notice to the defaulting party. If SUPPLIER is in Default, RECARO shall be entitled to compensation of reasonable costs actually incurred to relocate the manufacturing of the Products and provisioning of the Service to an alternate source, and RECARO shall be entitled to purchase completed Products at the Contract price and work-in-process and raw materials at SUPPLIER's actual cost. If RECARO is in Default, SUPPLIER shall be entitled to compensation of (1) the Contract price for completed Products and Services and the actual cost of work-in-process and raw materials (which will become RECARO's Property upon payment in full), and (2) the cost of unreimbursed and unamortized research and development, capital equipment, Property, and supplies that are unique to the Products.

(d) If SUPPLIER does not release or deliver RECARO's Property or other property of RECARO or RECARO's customers, RECARO shall at SUPPLIER's cost be entitled to (1) obtain an immediate court order for possession without notice and without posting a bond, and (2) enter SUPPLIER's premises, with or without legal process, and take immediate possession of RECARO's Property and the other property. To the extent permitted by law, SUPPLIER waives any right to object to RECARO's repossession of RECARO's Property and the other property in a bankruptcy or other proceeding.

## 20. Governing Law and Dispute Resolution.

### 20.1 Governing Law.

Depending on the respective RECARO Site which enters into the Contract, the Contract shall be interpreted and construed according to, and governed by, the laws as stipulated below, excluding any such laws that might direct the application of the laws of another jurisdiction.

The Place of jurisdiction shall also depend on the respective RECARO Site which enters into the Contract and shall be agreed as follows:

RECARO Site	Governing law	Place of jurisdiction
RECARO Aircraft Seating GmbH & Co. KG	Laws of Germany, under the exclusion of the UN Sales Convention (CISG)	Heilbronn, Germany
RECARO Aircraft Seating Americas, LLC	Laws of Texas, USA, under the exclusion of the UN Sales Convention (CISG)	Fort Worth, Texas
RECARO Aircraft Seating (China) Co., Ltd.	Laws of PR China, under the exclusion of the UN Sales Convention (CISG)	Qingdao, Shandong
RECARO Aircraft Seating Polska, Sp. z o.o.	Laws of Poland, under the exclusion of the UN Sales Convention (CISG)	Swiebodzin, Poland

### 20.2 Dispute Resolution: Negotiation and Mediation.

RECARO and SUPPLIER shall first endeavor to resolve any dispute arising under the Contract through good faith negotiations. If a dispute cannot be resolved through good faith negotiations within a reasonable time, either party shall be entitled to request non-binding mediation by a mediator approved by both parties. For the avoidance of doubt, the other party is not obliged to agree to a mediation.

## 21. Force Majeure.

In the event of force majeure ("Force Majeure"), the parties shall be exempt from their contractual duties for the duration of the disturbance and to the extent of its effect as far as the Force Majeure affects the respective duty.

Force Majeure shall include unforeseeable events that occur after the respective Contract has been entered into and that are outside the parties' field of influence, e.g. fire, strikes, lockouts, blockades, war, threat of war, mobilizations, revolutions or rebellions, natural disasters, provided that such an event prevents the parties from fulfilling their obligations without the possibility of preventing and eliminating such pending risk. If the consequences of the Force Majeure event last for one (1) month without interruption, RECARO and / or SUPPLIER shall be entitled to terminate part of or the entire Contract.

Any delay in delivery on the part of SUPPLIER shall only be regarded as a case of Force Majeure if such delay in delivery is caused by the events listed above or similar events. The party affected by Force Majeure in this case shall take adequate steps to limit or minimize the effects of such an event.

The party that claims Force Majeure shall inform the other party immediately of the event, its beginning and its expected duration. It must immediately inform the other

party when an improvement in the situation occurs. The party that claims Force Majeure shall have the burden of proof of the effect on the single obligation.

## 22. Assignment and Subcontracting.

Neither party shall be entitled to assign or subcontract its duties or responsibilities under any Contract without the prior written consent of the other party which shall not be unreasonably withheld or delayed. Any assignment or subcontracting by either party, with or without the required consent, shall not relieve that party of its duties or obligations under the Contract or its responsibility for non-performance or default by its assignee or subcontractor.

## 23. Miscellaneous.

### 23.1 Amendments.

Any amendments, alterations, variations or changes to these General Terms of Purchase or any Contract shall require the written form. This shall also apply to the written form requirement itself.

### 23.2 Advertising.

During and after the term of the Contract, SUPPLIER shall not advertise or otherwise disclose its relationship with RECARO or RECARO's customers without RECARO's prior written consent, except as may be required to perform the Contract or as required by law.

### 23.3 Relationship of the Parties.

RECARO and SUPPLIER are independent contractors, and nothing in the Contract shall make either party the agent or legal representative of the other party for any purpose. Neither party shall have authority to assume or to create any obligation on behalf of the other party.

### 23.4 Waiver.

The failure of either party to enforce any right or remedy provided in the Contract or by law on a particular occasion shall not be deemed a waiver of that right or remedy on a subsequent occasion or a waiver of any other right or remedy.

### 23.5 Entire Agreement.

The Contract constitutes the entire agreement between the parties with respect to its subject matter, and supersedes all prior oral or written representations or agreements by the parties with respect to the subject matter of the Contract, including RECARO's request for quotation and SUPPLIER's quotation unless specifically incorporated in the Contract. Except as authorized in these General Terms of Purchase, no subsequent terms, conditions, understandings, or agreements purporting to modify the terms of the Contract shall be binding.

### 23.6 Severability.

A finding that any provision of the Contract is invalid or unenforceable in any jurisdiction shall not affect the validity or enforceability of any other provision of the Contract or the validity or enforceability of that provision in any other jurisdiction.

### 23.7 Notices.

Any notice or other communication required or permitted in the Contract shall be in writing and shall become effective on the date of actual receipt, if the date of actual receipt is a business day, or on the next business day, if the date of actual receipt is not a business day.

### 23.8 Storage for Documentation.

SUPPLIER shall keep all information such as, but not limited to production documents, drawings and work schedules at its expense either as backup copies or on data carriers in furnishings under suitable storage conditions so that these are not damaged, impaired or lost and in such a way that they can be easily retrieved. Quality records shall be made accessible for evaluation by RECARO or its representative. RECARO shall be entitled to check the storage.

### 23.9 Language.

These General Terms of Purchase have been drawn up in English language which shall be deemed authentic. Any translation of these General Terms of Purchase into a language other than English shall be for information purposes only.