

## General Aerospace Terms and Conditions of Purchase of thyssenkrupp Materials Schweiz AG

### I. Validity

1. These General Aerospace Terms and Conditions of Purchase apply to all – including future – orders of goods and services and the processing thereof. We do not accept any terms and conditions of Seller (hereinafter also referred to as "Supplier") which differ from these Terms and Conditions of Purchase, unless expressly agreed otherwise herein or in the contract with the Seller. If we accept a deviating order confirmation or the goods without express objection, it can in no case be derived therefrom that we had recognized the Seller's terms and conditions.
2. Verbal commitments on the part of our employees are only binding subject to our confirmation. This may be given in writing or by e-mail.
3. The preparation of offers by potential sellers shall be free of charge and without obligation for us.
4. The respectively valid INCOTERMS shall be decisive for the interpretation of trade terms.
5. If and insofar as translations of these General Aerospace Terms and Conditions of Purchase exist in other languages, the German version shall apply in the case of inconsistencies or ambiguities.

### II. Delivery fundamentals

1. Supplier is a company which, with its quality management system, is able to handle orders from thyssenkrupp Materials Schweiz AG according to the respective requirements. Certification to EN 9100, EN 9120 or ISO 9001 is mandatory in this respect. Supplier guarantees to have all necessary certificates, to maintain them and to renew them. Supplier confirms to have all necessary accreditations, permits and approvals that are necessary for the operation or delivery of the ordered products.
2. Before submitting an offer, Supplier shall check whether it can meet the quality requirements, and that the necessary documents are up-to-date, complete and unambiguous. Vagueness, for example as result of missing or unclear information and specifications for the execution of the order, must be remedied and clarified before submission of the offer, otherwise the interpretation as thyssenkrupp Materials Schweiz AG understands it shall prevail.
3. The products or services to be supplied must comply with all specifications required in the order, shall not contain any deficiencies or design defects, and shall have the contractually specified quality and characteristics so that it is suitable for the intended purpose or use. Certificates of conformity/material certificates/test reports must be available. Supplier shall ensure that there can be no material mix-ups. Any subcontracting shall require prior written consent on the part of thyssenkrupp Materials Schweiz AG. Should the services of subcontractors be involved, the (customer) requirements to be applied must be passed on to the subcontractor in question. Should the services of particular subcontractors be specified in advance, these shall be used.
4. The traceability of the supplied products and services, in particular to a particular melt, must be ensured at all times. Supplies and services originating from various different material batches (melts) must be handled on a strictly separated basis. Should the marking/identification of a material be removed or damaged, as result of which Supplier is no longer able to unambiguously identify and trace the product to be delivered, Supplier shall already sort out the product or service at its premises and on no account deliver them.
5. Supplier shall make sure that counterfeit parts or parts of doubtful origin are not delivered to thyssenkrupp Materials Schweiz AG. thyssenkrupp Materials Schweiz AG must be given notification of any deficiencies, including material defects, immediately on discovery thereof. Supplier shall ensure the unambiguous identification of defective products by means of appropriate marking, and that any further, unintentional use of such products is ruled out. If of the opinion that the defective products can be accepted by thyssenkrupp Materials Schweiz AG, Supplier shall apply to the latter for special approval. Such special approval must be enclosed in writing with the delivered product. This obligation shall also apply if a defect is discovered after delivery of the product.
6. Supplier shall give thyssenkrupp Materials Schweiz AG prompt notification of any changes in terms of processes, products, services, as well as production sites of Supplier or subcontractors.
7. Supplier shall observe and comply with all relevant standards, laws and regulations, in particular the standards and regulations relating to the aerospace industry, environmental protection, hazardous substances, dangerous goods and accident prevention, as well as with the generally acknowledged rules and regulations relating to safety and occupational health, and with procedural instructions and operating standards. In this context, it must be ensured that all persons involved are aware of their contribution to product and service conformity, product safety and ethical conduct.

### III. Prices

1. Packaging and freight costs shall only be paid by the purchaser if remuneration for that has been expressly agreed. Customs duties, tolls or other costs and charges associated with the delivery shall be borne by Seller.

### IV. Payment

1. Invoices shall be submitted immediately after the delivery or service has been completed – in other words not together with the consignment. Unless agreed otherwise, each invoice shall be settled either within 30 days with 2% cash discount or towards the end of the month following the delivery or service performance.
2. Payment and cash discount periods will commence on receipt of invoice, however not before receipt of the goods or, where services are concerned, before completed acceptance inspection, or, should documentation, test certificates (e.g. factory certification) or similar documents form part of the contractual scope, before the contractually agreed delivery thereof to us. Delivery ahead of deadline will have no influence on the payment term, which commences as from the scheduled date of delivery.
3. Payments are generally to be made by bank or postal transfer. Payments shall be deemed to have been made on time if the transfer thereof was instructed on the due date.
4. Default interest incurred shall be charged at a rate of 5 percent per year.
5. We reserve the right to offsetting and/or retention to the statutory extent.
6. Without our written consent, Seller shall have no entitlement to assign its claims against us to third parties or to have them collected by a third party.

### V. Transport/delivery deadlines /default in delivery/transfer of risk

1. Supplier shall ensure that all products are properly packaged and transported, and that they can be unloaded in faultless condition at the delivery address.
2. All products must be clearly marked for easy identification. Should such identification marking be missing, indistinct or ambiguous, thyssenkrupp Materials Schweiz AG shall have entitlement to reject the delivery, irrespective of when such deficiency is discovered.
3. Delivery deadlines are binding and must be complied with. Partial deliveries shall only be permitted with our written consent. We are to be given prompt written notification of any likely delay in delivery. At the same time, appropriate countermeasures towards averting the consequences thereof are to be proposed. Excess or short deliveries will only be permitted within the commercially customary scope (+/- 10 percent).
4. Should a specific delivery time or shipping period be agreed, the respective time limit shall count as from the date of the legally binding order, unless agreed otherwise in writing.
5. All shipping documents, operating instructions and other certificates forming part of Seller's scope of performance shall be delivered to us at the same time as but separately from the delivery. The melt number must be indicated on the delivery documents.
6. Should Seller be in default of delivery (with delivery of goods or delivery of shipping documents, operating instructions, certificates), we shall in principle have entitlement to the relevant statutory claims. Even without having given immediate notification in accordance with Art. 190 of the Swiss Code of Obligations, we shall have entitlement to continue demanding the performance after the expiry of a reasonable period of grace set in writing, together with compensation for damages, to demand compensation for damages instead of the performance, or to withdraw from the contract.
7. In the event of default of delivery, a contractual penalty shall be payable to us, in addition to the rights according to the preceding clause, which, unless agreed otherwise, shall amount to 0.5 percent of the purchase price for each commenced week of the delay up to a maximum of 5 percent. The payment of such contractual penalty shall not release Seller from further compliance with the contract. The unconditional, belated acceptance of the delivery shall not constitute a waiver of the contractual penalty. Claims for damages will at all times remain reserved and will be cumulatively added to the contractual penalty.
8. Should cases of force majeure, strike or lock-out make the fulfillment of our contractual obligations impossible or substantially more difficult, we may cancel the contract in whole or in part or demand performance at a later date without Seller having entitlement to any claims against us.

9. Seller may only invoke our failure to provide contractually agreed documents if it has not received such documents even after having issued a written reminder.
10. Seller shall bear the risk of accidental loss and accidental deterioration of the goods, including in the case of "franco" and "free destination" deliveries, until the goods are delivered at their specified destination.

#### **VI. Declarations of origin/audit/retention obligation**

1. Seller shall enable the customs authority to verify the substantiation of origin and provide both the necessary information as well as the necessary confirmations.
2. Seller shall compensate for any damage caused by the fact that the declared origin is not acknowledged by the competent authority as result of deficient certification or the impossibility of verification, unless Seller can prove that it is not at fault.
3. Supplier assures that it will grant thyssenkrupp Materials Schweiz AG (possibly accompanied by customers or authorities [e.g. Federal Office of Civil Aviation]) unrestricted access, by prior arrangement, perform an audit and provide all necessary information and documents concerning the products and services to be supplied. This includes and is to be ensured that – if the involvement of subcontractors has been approved – this is will also be possible where such subcontractors or auxiliary persons are concerned.

Supplier shall in particular and at first request also make available all information required for the reports/notifications/declarations to domestic and foreign government authorities.

4. Supplier shall retain all papers, documents, reports, material certificates, etc., concerning the delivered products or services for at least 30 years and shall guarantee thyssenkrupp Materials Schweiz AG access thereto at first request and at any time.

#### **VII. Warranty/acceptance criteria/liability for defects**

1. Supplier warrants that the delivered products meet the specified requirements, are suitable for further use, are free of visible and invisible defects, and correspond to their intended use and the current state of the art.
2. Supplier shall ensure that all required documents relating to the supplied product are delivered in the required form.
3. The signing of delivery documents such as delivery notes, shipping documents, freight lists or similar merely confirms receipt of the goods by thyssenkrupp Materials Schweiz AG, but not the checking of quantity and quality and does not constitute any kind of approval.
4. Seller shall provide the goods to us free of any material defects and defects in title.
5. Seller shall in particular ensure that the all goods with which it supplies us are free of any signs whatsoever of ionizing radiation. Seller shall be liable for any and all costs and damage resulting from a breach of this obligation.
6. Purchaser may complain about defects at any time during the limitation period (warranty period). The obligation to give immediate notice of defects is explicitly excluded.
7. Should the goods or service have a defect, then we shall have entitlement to the statutory rights at our discretion and, in particular, also a right to rectification and/or supplementary performance; all in addition to compensatory damages. The warranty period shall commence anew in respect of repaired or replaced goods.
8. If, having resold or passed on the goods to third parties, warranty claims or claims for damages are asserted against us, Seller shall indemnify us from any damage arising therefrom. Warranty and/or compensation for damages may also include all consequential costs incurred by thyssenkrupp Materials Schweiz AG or the end customer (e. g. return transport, dismantling expenses, business interruption, lost profits, etc.).
9. The limitation period for claims concerning defects commences with the delivery of the goods or the acceptance of the service (in each case also inclusive of agreed documentation, test certificates [e.g. factory certification] or similar documents). Seller's liability for defects shall in principle become time-barred two years after delivery/acceptance in respect of claims arising from or in connection with the delivery of goods. In the case of supplied goods which are used for a building according to their customary usage or by special agreement, a five-year limitation period applies as from delivery/acceptance. Any longer statutory deadlines shall remain reserved.
10. For the purposes of fulfilment and without being released from its own obligation, Seller undertakes to assign to us at first request all claims to which it has entitlement against its suppliers as result of or in connection with the delivery of defective goods or services. In the interests of asserting such claims, Seller shall hand over all necessary documents and provide all relevant information. Purchaser shall be free to decide whether or not to demand said assignment.

#### **VIII. Place of performance, place of jurisdiction, applicable law, miscellaneous**

1. The business relationship shall be based on the assumption that the vendor will on the one hand receive information, documents, etc., regarding the ordered goods, but on the other hand also regarding their use or application, the other customers of the purchaser, application procedures, know-how, etc. Such information/documents in any form (physical or electronic) may be knowingly provided by the purchaser or third parties or otherwise made known to the vendor. The vendor undertakes to treat all information, documents, etc., as confidential and to make them accessible only to those bodies and employees that themselves are subject to the same obligation to maintain secrecy/confidentiality. Any disclosure of such information/documents is only permissible if the purchaser agrees thereto in writing or if this is absolutely essential due to statutory requirements. Any violation of this obligation to maintain secrecy/confidentiality shall lead to liability for damages on the part of the vendor.
2. Unless agreed otherwise, the place of performance for the deliveries shall be our plant in Wil SG.
3. **Place of jurisdiction shall be Wil/SG.**
4. All legal relationships between us and Seller shall be governed by Swiss law to the exclusion of the Vienna Convention on International Sales and/or provisions of the UN Convention on Contracts for the International Sale of Goods (CISG).
5. Should any provision of these General Terms and Conditions of Purchase be or become invalid, this shall not affect the validity of the remaining provisions.
6. These General Aerospace Terms and Conditions of Purchase shall also apply mutatis mutandis to contracts of a different, comparable nature, in particular contracts for services and contracts for work and materials.

Wil, November 2018