

General conditions of purchase for aeronautical components (AEBL01) of TQ-Group

for the companies TQ-Systems GmbH, TQ-Systems Durach GmbH,
TQ-Systems International GmbH & Co. KG as well as TQ-Systems Shanghai Co., Ltd. and TQ-Systems Shenzhen Co., Ltd.

Preamble

TQ develops and produces electronic assemblies, modules and systems for the aviation industry, both to customer order and also on its own account. Product quality, adherence to delivery deadlines, service and competitive pricing are the highest performance principles for the contractor when serving the customer.

To meet aviation requirements, minimum standards must be met and upheld by all participants in the supply chain.

These terms of delivery shall apply to all deliveries if reference is made to them in the order. Our terms and Conditions of purchase shall apply exclusively; we do not recognize any terms and conditions of the contractor that conflict with or deviate from our terms and conditions of purchase unless we have expressly agreed to their validity in writing. Our terms and conditions of purchase shall also apply even if we accept deliveries without reservation in the knowledge that the contractor's terms and conditions conflict with or deviate from our terms and conditions of purchase. General terms and conditions of sale and delivery issued by the Supplier do not represent a part of the contractual relationship even if this is not explicitly contradicted by the purchaser.

Purpose / Scope

This document defines the quality requirements for all TQ contractors for aeronautical components. These requirements apply to all deliveries of:

- Individual parts (purchased parts)
- Services
- Materials
- Units

Deviations from these requirements are only permissible with the written approval of the customer.

1. Quality assurance

The contractor guarantees that quality, workmanship, dimensions and accuracy will comply with the information in the relevant technical documents or technical product specifications provided in each case. The contractor assures that all articles to be delivered to the customer will be subject to continuous quality control during production. The "zero-error principle" must be aimed at here. If and to the extent that neither a product specification that is meaningful in all respects nor an express special quality agreement exists with respect to a delivery item, the contractor shall consult the customer. In

any case, the contractor assures that at least all relevant standards will be complied with in their current revision status.

The contractor guarantees that the production and distribution processes used to manufacture or distribute the delivery items are state-of-the-art and comply with the relevant statutory provisions.

The contractor is solely responsible for the quality of the delivered products. This shall also apply if approvals have been issued by the customer for deliveries. In the event of a deviation from the contractually agreed quality, the customer must be informed in writing by the contractor prior to delivery. Delivery approval in the event of a deviation shall be effected exclusively by the customer in writing.

The contractor is obliged to pass on the corresponding requirements to his subcontractors in writing.

2. Identification and traceability

The contractor must ensure with his quality management system that traceability of the delivered products is clearly possible.

For this purpose the delivered items must be clearly labelled and the contractor must be able to trace the used production processes used and materials as well as the tests carried out on the basis of this information.

At TQ's request, the contractor must provide this information within 2 (two) working days.

3. First Article Inspection

Upon initial delivery, the contractor will compile a first article inspection for the delivery items and add the FAI report to the delivery.

4. Test certificates

For each delivery the contractor will confirm with a test certificate in accordance with DIN EN 10204 or material test certificates that the delivered contractual products have successfully passed the corresponding quality tests and meet the requirements in the purchase order.

The concrete version of the test certificate can be found in the respective order.

Depending on its requirements the customer can request further test certificates from the contractor.

5. Documentation

The contractor undertakes to set up a sustainable documentation system to prove compliance with the

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statutory and contractually agreed quality levels. This provision concerns the following documents:

- Shipping Documents
- First Article Inspection reports
- Work and test instructions
- Test protocols and records for statistical process control (SPC)
- Order confirmations and contract reviews

The customer and the regulatory authorities must be granted access to these records upon request. The contractor undertakes to archive these documents in accordance with the retention periods defined in DIN EN 9130.

6. Offers and Purchase orders

The offers submitted to us must correspond to our enquiries. Any offers should be free of charge for TQ and binding for Supplier. If submitted offers deviate from our enquiries, we must be specifically notified in writing. This shall also apply, if the Supplier determines that our enquiry is incorrect, incomplete and/or unclear.

Purchase orders by TQ are binding only if they are placed in writing or subsequently confirmed in writing. Electronic orders and order confirmations are considered as equivalent.

TQ shall be entitled to cancel a purchase order in whole or in part, at any time. In case of cancellation of a purchase order Supplier will be notified by TQ as soon as possible.

In case of a purchase order cancellation the Supplier shall be entitled to payment only for work or delivery demonstrably performed or direct costs incurred unless such cancellation is due to delay, breach of contract, non-performance or poor performance by Supplier.

7. Delivery

Except as hereinafter specified, delivery shall be strictly in accordance with the required delivery schedule, the applicable specifications, quantities and schedules set forth in the respective purchase order. If no delivery date has been agreed, the Supplier shall deliver the Goods within ten (10) working days after receipt of the purchase order by the Supplier.

If the Supplier fails to deliver in full by the required delivery date, TQ may terminate the purchase order with immediate effect by giving written notice to the

Supplier. In such a case, the Supplier shall indemnify TQ against all losses, claims, damages and reasonable costs and expenses directly attributable to the failure to deliver the Goods by the required Delivery Date.

All Goods shall be delivered to the address stated in the purchase order during the working hours of TQ or as otherwise instructed by TQ.

In the event of a delay in delivery, TQ shall have the right to obtain equivalent goods from another Supplier as an alternative and to transfer the additional hedging costs to the Supplier. TQ reserves the right to return early deliveries at Supplier's expenses.

8. Invoices

Unless otherwise agreed in writing, the payment terms are reflected on purchase order. Unless otherwise requested by TQ, invoices shall conform to the terms in the purchase order and rendered separately for each delivery. It shall also indicate TQ's order number.

9. Changes

In the case of all products, TQ shall be promptly informed by the Supplier before any changes to manufacturing processes, materials or vendor parts for drawing parts so that TQ can check whether such change may have an adverse effect on the delivery item. The Supplier may make technical changes to the delivery item only based on written approval by TQ, whereby such approval shall not release the Supplier from its full responsibility for product quality and timely performance. The Supplier may only change the production site of individual or all products following prior written approval of the TQ.

10. Force Majeure

If the fulfillment of contractual obligations is significantly difficult or impossible for TQ or Supplier due to Force Majeure (e.g. war, blockade, fire, strike, lockout, operational disruptions, official interventions) or other unforeseeable, extraordinary circumstances beyond parties' control for which no party is responsible, the concerned party may, after consecutive duration of the impediment to contractual performance by Force Majeure for a period of more than ninety (90) days, withdraw from any contract or any purchase order in whole or in part or demand execution at a later date. .

11. Packaging

If no specific packaging has been agreed, the Supplier is responsible for proper packaging. This

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packaging must ensure that the Goods are delivered in undamaged and proper, product appropriate condition (e.g. due to knocks/drops, moisture or ESD). Any return of the packaging material shall be made at the expense and risk of the Supplier.

12. Training

The Supplier is obliged to create guidelines for determining the training requirements and to ensure appropriate training/qualification of its staff or such staff of its pre-suppliers involved in the manufacturing of products or the provision of services. Training certificates must be stored in accordance with DIN EN 9130.

13. Amendments to these General conditions of purchase Aviation

The General conditions of purchase for Aviation can be downloaded in the current version from the TQ Group's homepage at <https://www.tq-group.com/de/agb/>.

14. Other relevant documents

QSF-A: Production orders

QSF-B: Manufacturing orders

QSF-C: Development and manufacturing orders

QSF-D: Commercial orders