

Terms and Conditions of Purchase of MTU Aero Engines Polska Sp. z o. o. (hereinafter each individually referred to as „MTU“)

1 General

- 1.1 Any legal relationship between the Supplier and MTU shall exclusively be governed by the these Terms and Conditions of Purchase (hereinafter referred to as “TCPs”), unless and to the extent varied by special, preceding conditions expressly agreed upon between MTU and the Supplier.
- 1.2 Supplier's general terms and conditions shall not apply and shall not form part of any supply contract between the parties, even if MTU has not expressly objected to them in each individual case or the Supplier has declared to deliver only subject to its general terms and conditions.
- 1.3 MTU declares that has the status of a large entrepreneur within the meaning of art. 4 clause 6 of the Act on preventing excessive delays in commercial transactions (i.e. from 13 December 2018, Journal of Laws of 2019, item 118).

2 Orders and order amendments

- 2.1 Supply Contracts (purchase order of MTU and the acceptance by Supplier) and call-up notices as well as changes thereof or amendments thereto shall be made in writing. The preprinted MTU order acknowledgement form attached to MTU's purchase orders shall invariably be used by the Supplier to confirm acceptance of MTU's purchase orders.
- 2.2 Supplier is obliged to indicate - in any correspondence in connection with the fulfillment of a Supply Contract - the name and department of the responsible MTU buyer as well as MTU's purchase order number including item number and MTU's material number.
- 2.3 In case the Supplier does not accept a purchase order within two (2) weeks of its receipt, MTU shall have the right to revoke such order. Any call-up notices shall become binding if the Supplier does not reject such call-up notice within one (1) week of its receipt.
- 2.4 To the extent reasonable, MTU may demand changes to be made by the Supplier to the goods relating to design and process. In this case the consequences, especially with respect to additional costs or reduction of costs, as well as with respect to delivery dates, are to be resolved in an appropriate and mutually agreeable manner.
- 2.5 Supplier shall immediately inform MTU in writing of any proposals for alterations of the agreed deliveries and services and of the costs and impacts of such alterations. Such proposals for alterations must only be realized after MTU's prior written approval.
- 2.6 Supplier shall ensure that the deliveries and services provided comply with all legal requirements applicable in the Republic Poland and/or the European Union and the place of performance, especially with the safety engineering regulations as well as environmental, accident prevention and other health and safety regulations. Furthermore, the Supplier shall notify MTU of any special, not commonly known, handling and disposal arrangements that may be required in connection with any delivery or service. The Supplier is obliged to package, label and ship hazardous products in compliance with the applicable national and international laws and regulations. The Supplier undertakes to fulfil all obligations to be performed by the Supplier (as defined in Article 3 (32) Regulation (EC) No. 1907/2006 (hereinafter called “REACH”)) with respect to the deliveries and services in accordance with REACH. In particular, the Supplier shall provide MTU with a safety data sheet in accordance with Article 31 of REACH in the language of the recipient country in all cases stipulated in Article 31 (1) to (3) of REACH. The Supplier warrants that all substances contained in the deliveries and services have effectively been pre-registered, registered (or exempted from the obligation to register) and, if required, authorized in accordance with the applicable requirements specified in REACH for the uses disclosed by MTU. If the deliveries or services are “articles” within the meaning of Article 7 of REACH, the preceding sentence shall apply to the substances released from these deliveries and services. Moreover, the Supplier undertakes to notify MTU without delay if any component of the deliveries or services contains a

substance in a concentration of more than 0.1 percent per weight if the substance meets the criteria of Articles 57 and 59 of REACH (so-called “substances of very high concern” (SVHCs)). This shall likewise apply to packaging products.

3 Furnished Materials

- 3.1 Materials and objects of any kind furnished by MTU (hereinafter referred to as „MTU Materials“) shall remain the sole property of MTU. Supplier shall take all necessary measures to store and hold in safe custody the MTU Materials. Supplier shall label the MTU Materials as MTU's property and shall use these solely for the purposes designated by MTU.
- 3.2 To the extent that the MTU Materials are processed or transformed and thus turned into a new movable item by the Supplier, this processing or transformation shall take place on behalf of MTU. MTU shall immediately become owner of the new or transformed item. If this is not possible for legal reasons, MTU and Supplier hereby agree that MTU shall be the owner of the new item at all times during the processing or transformation. If MTU Materials are joined or blended with other materials and items at such a rate that these can no longer be separated, MTU shall be entitled to co-ownership in the newly created items pro rata of the value the item had at the time they were joined or blended. If MTU Materials are joined or blended with material or objects provided by the Supplier itself in such proportion that the result may be regarded as being primarily the property of the Supplier, it shall be deemed to have been agreed that the Supplier confers co-ownership pro rata the value of the input by MTU. Supplier shall retain custody of property owned or co-owned by MTU at no extra cost and in so doing exercise the duty of care of a merchant.
- 3.3 Supplier undertakes to carry out any maintenance or inspection work that may be required on MTU Materials and to take out adequate insurance cover for them - especially for transports to and from third parties - at Supplier's own costs, and to provide evidence thereof to MTU upon MTU's request.

4 Rights of Use / Industrial Property Rights

- 4.1 Supplier grants MTU the non-exclusive, assignable, royalty-free right, without restriction as to time and location, to use in connection with the usage of the deliveries and services (e.g. repairs or integration in other products) the Supplier's industrial property rights and/or know-how that are contained in the deliveries and services. This right to use shall be granted for all types of uses and shall also apply to items protected by copyright contained in the deliveries and services, especially software and related documentation. This right to use shall comprise the acts according to Copyright and Related Rights Act of 4.02.1994. Backup copies might be made. Supplier shall inform MTU immediately of any industrial property rights achieved by the Supplier during the performance of a Supply Contract.
- 4.2 If the deliveries and services have been developed solely by MTU or developed, adapted, tested or assessed jointly by Supplier and MTU, the deliveries and services, or component or parts thereof, shall not be supplied to third parties without MTU's prior consent. The same shall apply to deliveries that have been developed solely by the Supplier but have been paid for by MTU.
- 4.3 To the extent the Supply Contracts cover research or development work, the rights to all work results achieved by Supplier in the performance of a Supply Contract, including drawings, documents in electronic form, computer programs and technical documents (hereinafter “Development Results”) shall be the exclusive property of MTU. Development Results shall be disclosed fully and comprehensively to MTU. Supplier shall inform MTU without delay of any patentable Development Results and shall make any and all information required available to MTU. Upon MTU's written request, Supplier shall unconditionally claim patentable Development Results developed by its employees in the performance of a Supply Contract by asserting the rights toward the inventor and shall transfer the right to these Development Results to MTU without delay. The granting of the aforementioned

Terms and Conditions of Purchase
of MTU Aero Engines Polska SP. Z o. o.
(hereinafter referred to as „MTU“)

rights shall be deemed to have been satisfied with the payment of the prices agreed in the Supply Contract.

5 Confidentiality

5.1 "Confidential Information" shall be all commercial and technical information, documents, data, knowledge and inventions (whether patentable or not) and in whatever form (verbal, written, digital or embedded in hardware) made accessible to Supplier or obtained by Supplier from MTU. This includes but is not limited to design schemes, processes, drawings, specifications/ procedures, designs, design data, inspection results, price lists, training documents and catalogs or printer's copies, engineering models (e.g. 3D models), tools, patterns, samples or similar items as well as copyrights or other rights contained in the information or in an application for patents or design patents.

5.2 Supplier shall during and also after termination of its cooperation with MTU (a) treat such Confidential Information as confidential (b) not disclose it to third parties, (c) appropriately protect Confidential Information against access by third parties, (d) use Confidential Information only for the purposes of the Supply Contract and (e) make available Confidential Information only to those employees who need to know the Confidential Information for performing this Supply Contract and who have been obligated to confidentiality to the same extent as Supplier itself. If MTU agreed to subcontracting to a third party, the Supplier shall ensure that the confidentiality obligations stipulated in this Article 5 will be imposed on such third party. Confidential Information shall at all times remain MTU's unrestricted property. Supplier shall have no right whatsoever to retain Confidential Information. The duplication / reproduction of Confidential Information is permissible only within the limits of internal requirements and subject to copyright regulations. The confidentiality obligations mentioned above shall not apply to information that (a) is or becomes publicly known, (b) was known to the Supplier before its disclosure by MTU or (c) was demonstrably developed independently or was otherwise lawfully received by Supplier.

5.3 Upon MTU's request, Supplier shall promptly return Confidential Information and copies thereof to MTU CIP MTU's plant (INCOTERMS 2010).

6 Subcontracting

Supplier's subcontracting to third parties is subject to MTU's prior written consent; the subcontractors shall be expressly obligated to comply with the requirements set out in Article 5.

7 Place of Performance, Shipment, Export Control Conditions

7.1 The place of performance for deliveries and services shall be the place of delivery stated in the Supply Contract. If no such place of delivery is stated in the Supply Contract, MTU's headquarters shall be deemed to be the place of performance.

7.2 For deliveries not involving assembly or installation work, the risk shall pass to MTU upon receipt of the deliveries at the place of delivery stated by MTU. For deliveries involving assembly or installation work, the risk shall pass to MTU upon MTU's acceptance to be conducted at the place of delivery.

7.3 Shipment shall be in compliance with MTU's shipping instructions. Deliveries must be packaged appropriately and conforming with industry practice in consideration of MTU's requirements. MTU shall be entitled to instruct the Supplier as to the type and method of packaging.

7.4 All relevant documents such as delivery notes, certificates etc. must be placed in a shipping envelope and affixed to the outside of the shipment. The delivery note shall state MTU's order number including item number, the name and department of the responsible MTU buyer, MTU's delivery note number as well as the delivery date, the date of shipment, the type of packaging, MTU's part number (if any), part designation, quantity and weight of the consignment as well as the destination (address of the unloading point and factory), in addition the delivery note shall state MTU's order number and the delivery note number in barcode (type BC 39).

7.5 Supplier is obligated to comply with all applicable export laws and regulations and with MTU's "Export Control Provisions" in its latest valid version. The MTU "Export Control Provisions" are available under <https://www.mtu-portal.com/wps/sp/downloadch01>.

For each Supply Contract Supplier has to notify MTU about the applicable export control classification of the ordered items or services by executing, duly signing and returning the provided MTU form "Supplier Export Control Declaration" to MTU. The form is part of the Supply Contract. MTU must be informed by Supplier of any changes and/ or amendments to the export control classification. Supplier shall apply and obtain without delay for the applicable export control license or other relevant permits from responsible authorities according to the end use statements or letter of intent issued by MTU and provide respective copies to MTU

7.6 Supplier shall ensure supply chain security and observe legal policies and conditions. Supplier is obligated, on MTU's request, to provide reasonable evidence, such as certificates or statements of respective internationally recognized initiatives (e.g. AEO, C-TPAT) and to support MTU in official audits and ensure a comparable standard of supply chain security towards Supplier's business partners. Supplier has to inform MTU immediately about changes or threats of this status. Supplier shall protect the deliveries and services provided to MTU or to third parties designated by MTU against unauthorized access and manipulation.

8 Delivery Dates, Delay in Delivery, Force Majeure

8.1 Agreed delivery dates and delivery times are binding. Timeliness of the deliveries and services is determined by the date at which the deliveries and services are received at the place of delivery stated by MTU.

8.2 In the event of delay in delivery, MTU shall be entitled, without prejudice to the statutory claims, to demand a penalty equivalent to one (1) percent of the order value according to the Supply Contract for the deliveries and services delayed, for each week or part of a week up to a maximum of five (5) percent of this order value. MTU shall have the right to claim the penalty even after acceptance of the last deliveries and services due under the Supply Contract, provided that MTU reserved such right to claim penalties within one (1) month after acceptance of such last delivery and service. Further or additional claims for damages remain unaffected, however, the penalty will be set-off against such claims for damages.

8.3 Cases of force majeure or any other unpredictable, unpreventable and serious events that are beyond the reasonable control of a party and not attributable to such party, such as industrial conflicts, governmental regulations or acts of governments, acts of god, natural catastrophes, war, riots and terrorist actions (hereinafter referred to as „Force Majeure“) relieve the parties of their contractual duties for the duration of the disruption and within the scope of its effects. Supplier shall immediately inform MTU in writing of any default due to Force Majeure, by giving proof and all necessary information. Supplier shall at its own cost take all reasonable measures to perform the Supply Contract nevertheless. If the end of such disruption is not predictable or if such disruption lasts for more than two (2) months, MTU shall be entitled to withdraw in total or partially from the affected Supply Contract.

8.4 MTU may postpone the delivery dates and delivery times stipulated in the Supply Contract up to maximum of two (2) months, if MTU's scheduled need of such deliveries and services is delayed due to reduced working hours, plant shutdowns, delays in production or other kinds of disruption in business. MTU shall inform the Supplier in due time of the circumstances compelling the change in the delivery and performance dates. Supplier undertakes to provide the delivery and service in line with such changed delivery or performance dates.

9 Prices, Payment Terms, Invoice, Payment, No Assignment

9.1 The prices agreed in the Supply Contract shall apply

Terms and Conditions of Purchase

of MTU Aero Engines Polska SP. Z o. o.

(hereinafter referred to as „MTU“)

- 9.2 Unless otherwise specified in the Supply Contract, payment shall be due 60 days from contractually agreed delivery and/or service and receipt of invoice. MTU shall be entitled to discount three (3) percent from the invoice value if it pays within 14 days from contractually agreed delivery and/or service and receipt of invoice, and two (2) percent if it pays within 30 days. Discounts shall also be allowed if MTU offsets payments or withhold payments in appropriate amounts due to defects in delivery and/or service; in that event the payment period shall commence after all defects have been remedied. Payments made by MTU shall not be deemed to constitute acceptance of deliveries and/or services as conforming to the Supply Contract. Invoices for partial quantities or partial services delivered ahead of schedule shall become payable in accordance with payment terms not before the last item on that schedule becomes due for payment and all deliveries under the Supply Contract have been made in full compliance with the Supply Contract. Agreed discounts, if any, shall be deducted from the total amount invoice.
- 9.3 The invoice must be issued in compliance with the applicable tax laws. The invoice must contain MTU's order number including item number, as well as the date of shipment, part designation as well as the VAT identification number and bank details (IBAN and SWIFT-BIC) for cross-border supplies within the European Union for each delivery and service. The invoice shall be sent separately to MTU's accounting control department.
- 9.4 Unless otherwise specified in the Supply Contract, the payment shall be effected by bank transfer. Value-added tax treatment and all other tax obligations shall be governed by the applicable tax laws.
- 9.5 Without previous written consent of MTU, which shall not be unreasonably withheld, the Supplier shall not be entitled to assign its receivables to third parties or to have such receivables collected by third parties. In the event of an extended retention of title, and in the event of assignments to companies in which MTU directly or indirectly holds an interest of more than 50 %, consent is assumed to have been given. Even if the Supplier assigns its receivable against MTU contrary to the first sentence of this paragraph to a third party without the consent of MTU, the assignment remains valid. Regardless of the assignment MTU may choose whether payment is made to the Supplier or the third party.
- 10 Quality Management**
- Supplier shall provide for an appropriate quality assurance and quality control system. The Supplier agrees to establish and maintain a quality management system in accordance with EN9100 and to observe and to comply with any assurance agreements as well as any additionally agreed quality provisions and – if applicable – MTU's requirements according to specification MTN94111 "Quality Management Vendor Requirements" in its latest version. No quality assurance or incoming inspection performed by MTU shall relieve the Supplier of its contractual obligations.
- 11 Warranty / Warranties for Defects**
- 11.1 Supplier warrants that its deliveries and services are free from defects in quality and defects of title. In particular, deliveries and services shall meet the agreed specifications and conditions and comply with any applicable statutory laws or governmental regulations or provisions. Supplier further warrants that its deliveries and services conform to the state-of-the-art of science and technology at the time of performance of the Supply Contract, even if this standard has not yet been incorporated in the relevant rules and standards.
- 11.2 Warranty claims are subject to a limitation of 36 months beginning on the day the risk passed from Supplier to MTU or respectively upon MTU's acceptance of the deliveries and services, unless statutory provisions stipulate longer limitation periods, as for instance for buildings or objects that go into building.
- 11.3 MTU will inspect deliveries and services for defects in quality within a reasonable period of time. The notification of defects shall be deemed to have been filed in due time if it is filed to the Supplier within two (2) weeks from the detection of the defect in quality. Timeliness of the complaint shall be determined by the date on which the notification is sent to the Supplier. With respect to the foregoing, the Supplier hereby waives its right to reject such notifications for being too late.
- 11.4 In the event of defects in quality or defects in title, MTU shall be entitled to the full statutory claims and rights. In particular, the Supplier shall bear all expenses associated with the discovery and rectification of the defect(s), including those incurred at MTU and including but not limited to the costs of investigations, costs incurred up to the time the defect was discovered at MTU, disassembly and assembly costs, costs of labour and materials and transportation and other costs for the return of the defective and supply of non-defective items. This shall apply even in the event of increased expenditures as a result of the consignment being taken to some place other than the place of performance.
- 11.5 In the event of Supplier's delay, failure or refusal to remedy the defect (rectification or supply of replacement) MTU – without prejudice to MTU's statutory rights – shall have the right to eliminate the defects itself or have them eliminated by a third party and to charge the costs on to the Supplier. In urgent cases, after prior consultation with the Supplier, MTU shall be entitled to rectify or have rectified the defect through a third party on Supplier's cost.
- 12 Infringement of Third Parties Industrial Property Rights**
- Supplier shall be liable for any and all claims arising in connection with the contractual use of the deliveries and services due to infringement of granted or pending industrial property rights, copyrights or other third parties' rights (hereinafter collectively referred to as „Third Parties' Rights“). The Supplier shall indemnify and hold MTU harmless from any claims arising out of the use of such Third Parties' Rights and agrees to pay, upon first request, for all damage, costs or expenditures incurred by MTU as a result of the violation of such Third Parties' Rights. This shall not apply if proprietary rights are violated by MTU sample drawings or other MTU specifications. Supplier shall be liable for the violation of foreign industrial property rights and applications for industrial property rights only if at least one of such industrial proprietary rights of the same industrial property rights family is published either in the Supplier's home country, by the European Patent Office or in the United States of America or Canada. .
- 13 Insurance**
- Supplier shall be obligated to take out appropriate general liability insurance and product liability insurance coverage and to provide evidence of such insurance coverage upon MTU's request. Upon request, Supplier shall assign to MTU its claims against the insurance company.
- 14 Stockpiling, Readiness for Supply**
- Supplier shall guarantee an adequate stock level of parts and its ability to supply for a normal technical service life of its deliveries and services, but at least for a period of ten (10) years after the last delivery. If the Supplier ceases delivery of the goods after the end or during the afore mentioned period of time, it shall be obliged to give MTU in due time the opportunity for a final order at reasonable terms.
- 15 Concluding Provisions**
- 15.1 The Supply Contract shall be governed by the laws of the Republic Poland to the exclusion of the Polish conflict of law provisions. The Convention of the United Nations dated April 11, 1980 on Contracts for the International Sale of Goods is hereby excluded.
- 15.2 Rzeszow shall be the sole place of jurisdiction regarding any and all disputes arising from the business relationship. Notwithstanding the foregoing, MTU shall also be entitled to bring a claim or action to any other court of competent jurisdiction.
- 15.3 In the event of a deterioration in Supplier's asset or credit situation likely to seriously endanger the proper performance of Supplier's contractual obligations, in particular if a petition for bankruptcy over its assets has been filed, MTU shall have the right to withdraw

Terms and Conditions of Purchase
of MTU Aero Engines Polska SP. Z o. o.
(hereinafter referred to as „MTU“)

in total or partially from the Supply Contract or to terminate the Supply Contract for the part that has not been performed yet.

- 15.4 MTU expects the Supplier to comply with the Code of Conduct for MTU Suppliers (available for download at <http://www.mtu.de/company/compliance/code-of-conduct-for-suppliers/>). MTU calls upon the Supplier to require its subcontractors and sub-tier contractors to comply with equivalent standards. MTU shall have the right to verify compliance with the Code of Conduct for MTU Suppliers by on-site audits at the Supplier's carried out by MTU or by a third-party contracted by MTU.

If any violations of the Code of Conduct for MTU Suppliers are found, the Supplier agrees to submit a written statement, along with a description of the actions taken to remedy the non-compliance.

In the event the Supplier engages in any activity towards MTU employees, customers or public office holders in connection with Supply Contracts or other delivery contracts that could lead to criminal prosecution for corruption, favors, or active or passive bribery, MTU shall have the right to terminate any and all legal relationships existing between MTU and the Supplier without notice. The same applies in the event the Supplier uses child labor in the production process for its deliverables.

If Supplier suspects persons working at MTU of actions that might lead to criminal liability for defraud, embezzlement, violation of competition, offering an undue advantage or corruptibility, Supplier may get in touch with MTU's neutral point of contact at <http://mtu.de/en/company/compliance/organisation/index.html> at the MTU headquarter in Munich, Germany.

- 15.5 Conflict Minerals

If the Supplier's deliverables contain tantalum, tungsten, tin or gold ("Conflict Minerals"), the Supplier shall be obliged to ensure that the Conflict Minerals are procured from responsible melting shops / sources of supply that comply with the UN resolutions and are not involved in the funding of armed conflicts, especially so in the Democratic Republic of the Congo and its neighboring countries. Upon request by MTU, the Supplier shall provide any and all information necessary to ascertain the origin of the Conflict Minerals.

- 15.6 Supplier agrees to adhere to and comply with the applicable data protection laws and the Regulation (EU) 2016/679 (General Data Protection Regulation) respectively. In the event Supplier receives personal data from MTU, Supplier ensures to process the personal data only to the extent necessary for the planning, performing and managing of the contractual relationship between MTU and Supplier.

MTU processes personal data from Supplier and its contact persons only to the extent necessary for the planning, performing and managing of the contractual relationship between MTU and Supplier. Further information is available in the Data Privacy Notice for business partners at https://www.mtu.de/fileadmin/EN/9_Privacy_Statement/Date nschutzerklaerung_Geschaeftspartner_ENG_072018.pdf.