

## § 1 General Information

- a) Our General Procurement Conditions are part of the contract and apply exclusively. We do not recognize terms and conditions which conflict with or deviate from the AES General Procurement Conditions from a supplier, unless we agree to their validity in writing. Deviating and conflicting provisions from a supplier are not deemed accepted even when AES is aware of these provisions.
- b) Our General Procurement Conditions shall also apply to all future transactions with a supplier insofar as a commercial transaction is involved. The General Procurement Conditions version valid at the time of contract conclusion shall be authoritative.
- c) Our practices are governed by a code of conduct found on our homepage, which can be downloaded at [https://www.aes-aero.de/wp-content/uploads/dlm\\_uploads/2019/01/AES\\_Code-of-Conduct.pdf](https://www.aes-aero.de/wp-content/uploads/dlm_uploads/2019/01/AES_Code-of-Conduct.pdf).

## § 2 Orders and Insurance

- a) Our order must be confirmed from a supplier within one calendar week. We are entitled to revoke our order should this confirmation not be provided. The date AES receives confirmation shall be decisive with regard to timely confirmation.
- b) All services ordered by us are to be performed by the supplier exclusively with their own, permanently employed staff. We must be notified in advance, and in writing, if a supplier intends to use a subcontractor, as this must be approved by us. The professional suitability and sufficient creditworthiness of the subcontractor must be provided by the supplier.
- c) The supplier must provide all the necessary and significant information about the provision of services punctually. The supplier can only justify the absence of such information if they have made a timely written request for such information and have not received it within a reasonable period.
- d) The supplier must maintain an appropriate insurance policy in relation to the order volume and risk of damage, and must provide us with proof of this upon request during the entire contract period, including any statute of limitation. The supplier hereby assigns AES all payment claims against the insurance company in connection with the goods and services in advance, and we hereby accept the assignment. Taking out an insurance policy does not limit the supplier's liability neither through its cause nor through volume.

## § 3 Delivery and Contractual Penalty

- a) The supplier delivers the goods and services, free of shipping charges, to our place of business unless otherwise agreed upon writing.
- b) Until the goods and services are delivered to us at our place of business, the supplier shall bear the risk of loss and deterioration. The delivery date specified in the order must be observed. We are not obligated to accept delivery before this date. Should we accept delivery before the agreed upon delivery date, we shall store the goods until the agreed upon delivery date, at the cost and risk of the supplier.
- c) The delivery date agreed upon in our order is binding. The decisive date for compliance with the delivery date is the receipt of the goods at the delivery address specified in the order. Delivery terms start from the order date. A delivery shall only be deemed complete, when we have also received all the required material samples, test reports, or other contractually agreed upon documentation and documents.
- d) Delays in delivery must be communicated by the supplier as soon as they become known. In the event of a delay in delivery, we have the right to charge a lump-sum contractual penalty of 0.3% of the purchase order value for each calendar day or part thereof of the delay, but no more than 8% of the order value. The pursuit of additional legal rights remains unaffected by this. However, the contractual penalty shall be set off against further damages caused by the delay. The right to demand the contractual penalty is not forfeited by the unconditional acceptance of the delivery.

## § 4 Spare Parts

The supplier guarantees the supply of spare parts at market prices for 10 years after our final order for the corresponding product. We must be notified about any discontinuation of parts manufactured by the supplier or his sub-contractors within a reasonable time, so that we can place a final order in sufficient quantity. If this obligation is violated by the supplier, we are entitled, irrespective of any patents or other rights, to have such spare parts manufactured for our use without compensation to the supplier, and use the supplier's samples and drawings for this purpose. The supplier is obliged to hand over the corresponding documents to AES upon first request.

## § 5 Material Ownership

- a) Materials, which we provide to our supplier for fulfilling their delivery obligation (components, help materials and tools) is the property of AES. We can request these materials to be returned at any time.

## § 6 Prices, Terms of Payment and Non-Assignment Clause

- a) The contractually agreed upon prices are fixed prices, unless otherwise agreed upon in writing.
- b) Each delivery must be accompanied by a separately issued invoice.
- c) Invoices must be sent by electronic means (preferably in AEB V02/032018 .pdf-Format) to AES.

- d) Invoices must contain our order number and our reference no. as well as all mandatory details. Net payment shall be made within 30 days after the invoice and goods and services are received.
- e) Offsetting, reduction, withholding of payment or right of retention against supplier claims are permitted by us at any time.
- f) The supplier may, only with our prior written consent, assign, plead, or otherwise transfer claims from legal transaction with us. If the supplier assigns anything contrary to sentence 1, the assignment shall still be effective. However, we at our discretion may make payment either to the supplier or to a third party with an exempting effect.
- g) Unconditional payment does not imply either recognition of a service as being in accordance with the contract, or a confirmation of the basis used to calculate the prices.
- h) We may withhold up to 6% of the amount of the invoice from our payments, unless corresponding claims against the supplier can be excluded. The retained amount shall be repaid to the supplier without interest at the end of the warranty period.

## § 7 Quality Requirements

- a) The supplier is obliged to ensure quality, by meeting the quality requirements specified in our orders, as well as the ISO 9001 or DIN EN 9100 requirements on a continual basis.
- b) The supplier is obliged to pass on the applicable requirements within the necessary scope regarding quality and technology to their suppliers and subcontractors.
- c) The supplier guarantees the LBA and AES GmbH's customer's free access to all their facilities in relation to an order, as well as insight into all the corresponding records.

## § 8 Obsolescence Management

The supplier informs and assists AES identify parts obsolesces early. Should a part be terminated, the supplier supports AES with the selection of a suitable alternative and ensures the option of a last time buy.

## § 9 Initial Delivery

- a) In the case of an initial delivery, an initial sample inspection or First Article Inspection (FAI) must be carried out in compliance with DIN EN 9102 and the documentation must be enclosed with the delivery.
- b) A Certificate of Conformance, including the manufacturer's documentation must be included in the delivery.
- c) Assemblies must be produced in accordance with the most current drawing revision.
- d) The manufacturer's work certificates (including test reports for all metallic materials) are required in accordance with EN10204 2.1. If a supplier is aviation certified, we ask you to provide us with an EASA form 1 with each order.

## § 10 Conflict Resources

The supplier is obligated not to use conflict resources from the Democratic Republic of Congo or any of their neighbouring countries when fulfilling orders.

## § 11 Chemicals Guidelines

- a) The supplier guarantees compliance with the valid EU Chemicals Regulation REACH (Regulation (EC) No. 1907/2006 dated 30.12.2006) requirements, hereinafter referred to as REACH Regulation, in particular with the proper registration of substances. AES GmbH is not obliged to obtain an authorization for a product delivered by a supplier within the scope of the REACH regulation. The supplier further assures not to deliver products containing substances according to the
  - b) REACH Regulation Annexes;
  - c) POPs Regulation (EC) No. 850/2004;
  - d) Regulation (EC) No 517/2014; Council Decision 2006/507/EC (Stockholm Convention on Persistent Organic Pollutants); EC Regulation 1005/2009 on substances that deplete the ozone layer;
  - e) Directive 2002/95/EC for products, depend on their application area, in accordance with the valid version or any new version coming soon into effect .

If the goods delivered contain substances listed on the REACH "Substances of Very High Concern" ("SVHC-List"), the supplier is obliged to inform us immediately. This also applies for ongoing deliveries, when substances, which were not previously listed, are added to this list. The valid list can be found at [http://echa.europa.eu/chem\\_data/authorisation\\_process/candidate\\_list\\_table\\_en.asp](http://echa.europa.eu/chem_data/authorisation_process/candidate_list_table_en.asp). Furthermore, the products must not contain asbestos, biocides, or radioactive material.

## § 12 Notification Obligation

The supplier is obliged to report defective products and/or product changes and/or process definition changes to AES.

## § 13 Secondary Suppliers

The supplier guarantees to forward the respective procurement document requirements to any secondary suppliers, including key features, etc.

## § 14 Warranty Claim

- a) The supplier guarantees the goods and services are defect free, and corresponds with state-of-the-art science and technology, all the relevant legal provisions, regulations and government agency guidelines, and with professional and trade associations.
- b) We shall immediately notify the supplier in writing about any defects in goods and services. We may reject all goods and services, or in part, even when the goods and services are only partly defective. Costs arising from a supplier's defective goods and services shall be borne by the supplier.
- c) We are entitled to remedy a defect ourselves or have it done by third parties promptly at the supplier's expense, if it is not possible to inform the supplier about such defect and impending damage, due to urgency.
- d) In the case of defect, we may suspend payment and reduce the invoice amount up to, three times the amount of the expected cost to remedy the defect. In case of defect, we are entitled to withhold 10% of the final payment, until the end of the guarantee period. The repayment will be made without interest. The supplier can replace the withholding, by means of a personal guarantee provision from a major German bank or credit institution.
- e) The guarantee entitlement expires three (3) years after the delivery of goods and services, in the case of acceptance, and three (3) years after the acceptance date, unless otherwise provided by law.

## § 15 Product Liability

The supplier shall indemnify us against third party claims arising from product liability upon our first request, if they are responsible for the defective product and damage incurred in accordance with the product liability law, principles. Furthermore, they are obliged to reimburse us for expenses resulting from or in connection with a recall made by us. We will advise the supplier, to the extent possible, about the content and scope of the measure we intend to take, giving them the opportunity to respond.

## § 16 Contract Documents and Confidentiality

- a) We reserve the proprietary rights and other industrial property rights to all drawings, models, samples, records and documents (hereinafter referred to collectively as "Information") provided by us to the supplier. The information provided by us is to be used exclusively for the contractually agreed provision of services. After the supplier provides services, the supplier is obligated to return all information, including any copies to us, or upon request, destroy them. The rights for the information transmitted may not be asserted by the supplier. The supplier is not entitled to any registration rights in connection with the information. We assume no liability for the accuracy of the transmitted information.
- b) All information interchanged and connected to the contract execution, shall be kept strictly confidential, and may not be disclosed to third parties without our prior written consent. The supplier is responsible for their employee's compliance with the confidentiality agreement, and other third parties involved in the contract. The confidentiality agreement continues to apply after the contract has been completed. It does not apply to public knowledge, unless the public knowledge is based on a breach of duty.
- c) We are entitled to charge the supplier a lump-sum contractual penalty for breach of the confidential agreement, at minimum twenty-five thousand (25,000) euros, and at maximum sixty thousand (60,000) euros. The amount is payable at the time of infringement. The supplier is entitled to prove proof that the damage was lower. Other claims remain unaffected.
- d) Transfer of our customer data is not permitted to be within the suppliers company, without our prior written consent. The same applies to any advertising relating to its business relationship with AES.

## § 17 Audits

- a) We are entitled to verify, at reasonable intervals, that the appropriate quality assurance measures are being carried out at the supplier's premises. The supplier shall grant us access to its business premises, after we arrange an appointment with advance notice for this purpose. They shall provide us with a professionally qualified employee to support us during such access. Our employees are sworn to secrecy with respect to third parties. The control measures may relate to products as well as to production processes.
- b) We are entitled to take samples from the corresponding storage and production areas, as part of the verification, in accordance with a).
- c) We are also entitled to carry out control measures without prior notice, when two successive deliveries from a supplier have defects.
- d) We shall be entitled to inspect the related processes as well as the EDP application, when the contractually agreed upon work is a service.
- e) The supplier must ensure that we are also granted the aforementioned authorizations for his sub-contractors.
- f) If our customer has a stake, we can involve them in audits.

## § 18 Transfer Rights and Third Parties Rights

- a) We receive exclusive, unrestricted, sub licensable and irrevocable right of use for all ideas, models, samples and all other goods and services completed during the provision of services, these are transferable at our discretion. For this purpose, the supplier obligates itself to maintain the same protection rights for or against its employees. This transfer of rights as well as any resulting employee invention compensation are already included in the agreed upon remuneration. If the goods and services already includes industrial property rights before an order is placed, we shall receive transferable, sub-licensable, non-exclusive, and irrevocable licenses for these rights paid by the total remuneration.
- b) The suppliers ensures that the rights of third parties are not infringed upon during the provision of services. If claims are made against AES due to an infringement of third party rights, the supplier is obligated to indemnify us against such claims and any further costs (legal cost in particular) upon our first request. Further to this, we are entitled to attain permission to use the goods and services at the supplier's expense.
- c) Using our trade name, company name, or anything connected to our products, acquisitions, advertising, or publications, directly or indirectly is only permitted with prior written consent from us.

## § 19 Set-off and Retention Rights

- a) The supplier shall be entitled to offset and assert retention rights, if its claim is undisputed or has been established legally. If a supplier assert retention rights, the claim must be based on the identical contractual relationship.

## § 20 Termination of Contract

- a) We can terminate individual contracts with a supplier with a 2-week notice, in writing at any time. The right of termination under special circumstances remains unaffected.
- b) If a supplier terminates a contract for reasons of which we are not responsible, we reserve the right to charge the supplier any cost incurred by us due to this termination. These costs may arise, e.g., from a third party obligation to take over the supplier's delivery obligation.

## § 21 Force Majeure

- a) If we are prevented from fulfilling our contractual obligations due to force majeure, we shall be released from these contractual obligations for the duration of the impediment including a reasonable restart up period, without obligation to pay damages to the supplier. Force majeure shall be deemed to include unforeseeable circumstances, which are out of our control, and those of which we are not responsible. Further to this, these circumstances make our contractual obligation unduly complicated or temporarily impossible to fulfill. Examples of these include unforeseeable industrial disputes, governmental measures, energy shortages, pandemic and major operational disruption to our premises, completely or in important departments within our company.
- b) If the impediment lasts for more than four (4) months, we have the right to withdrawal from the contract, or terminate it at our discretion when contract fulfillment, is no longer in our interest, without notice. At the suppliers request we will make it clear whether we are going to withdrawal, terminate, or fulfil our obligations after the expiry period, within a reasonable amount of time.

## § 22 Fulfilment Location, Jurisdiction and Applicable Law

- a) The registered office of our company is the place of fulfilment.
- b) The exclusive jurisdiction location for all claims against AES arising from our business dealing is our registered location of business. AES is therefore, entitled to take legal action at our customer's place of business, or at any other admissible place of jurisdiction.
- c) German law applies exclusively to all legal affairs. The UN Convention on Contracts for the International Sale of Goods (CISG) 1980, and other conflicting norms do not apply.

## § 23 Final Provision

These provisions also continue to be binding in the event that individual or multiple provisions are rendered invalid, in their remainder. Ineffective provisions will be replaced with provisions, which come closest to the intention and purpose of the invalid provision, in a legally effective fashion.