

Tesat-Spacecom GmbH & Co. KG - Conditions of Purchase 01/2014

1. Scope

- 1.1. The following General Conditions of Purchase shall apply to all goods and/or services acquired or purchased from the Supplier by Tesat-Spacecom GmbH & Co. KG (hereinafter referred to as TESAT).
- 1.2. These General Conditions of Purchase shall only apply to companies, corporate bodies under public law or special funds under public law as defined in Section 310 para. 1 of the German Civil Code (BGB).
- 1.3. No deviating or conflicting conditions shall be recognised by us unless we have expressly accepted these in writing.
- 1.4. These Conditions of Purchase shall also apply to all future transactions between the parties, even in the event that we accept or pay for goods without reservation in full knowledge of deviating or conflicting conditions.

2. Contract conclusion

- 2.1. The Supplier shall not be entitled to assign the order to a third party, either wholly or in part, or to arrange for the order to be executed by a third party, without prior written consent from TESAT. Any unauthorised transfer to a third party shall entitle TESAT to withdraw completely or partially from the contract and to claim compensation.

3. Place of execution

- 3.1. The place of execution shall be the place at which the goods are to be delivered under the terms of the order. In the event that no place of delivery is agreed, the business address of TESAT shall be the place of execution.

4. Delivery

- 4.1. All delivery dates stated in the order or otherwise agreed shall be binding. Adherence to the delivery date or delivery deadline shall be determined on the basis of the date we receive the goods. Advance deliveries or deliveries after the agreed delivery date shall only be permitted with written agreement from TESAT.
- 4.2. Unless proven otherwise, the quantities, weights and dimensions ascertained by us in the course of the inspection of goods on receipt shall be considered definitive for the purpose of this contract.
- 4.3. If delivery is not agreed "ex works", the Supplier shall prepare the goods in good time, taking into account the time usually required for loading and shipping.
- 4.4. The seller shall be obligated to notify us immediately of any impending or incipient failure to adhere to a delivery date, and stipulate the reasons for and the anticipated length of the delay. The statutory provisions with regard to default in delivery shall remain unaffected.
- 4.5. In the event of default on the part of the Supplier, TESAT may without prejudice to the statutory provisions, and unless otherwise agreed, enforce a penalty damage equivalent to 0.5% of the order value for each week of the delay or part thereof, up to a maximum of 10% of the order value. The penalty damage may also be enforced after acceptance of the goods and until final payment is made.

5. Acts of God

- 5.1. Acts of God, industrial disputes, business disruptions beyond our control, civil unrest, official intervention and other unavoidable occurrences shall entitle TESAT to withdraw completely or partially from the contract insofar as such occurrences result in a significant reduction in our requirements.

6. Pricing and transfer of risk

- 6.1. Unless otherwise agreed, the prices stipulated by the Supplier shall be carriage paid to the place of execution. They shall include packing, loading and freight costs in addition to any insurance costs associated with transportation of the goods.
- 6.2. The agreed prices shall be fixed prices and shall exclude all additional demands or price increases of any kind.
- 6.3. In the case of delivery without assembly or installation, the risk shall transfer on receipt of the goods at the place of receipt specified by TESAT. In the case of delivery with assembly or installation and in the case of work performed on site, the risk shall transfer on acceptance of the goods or work at the place of assembly or the place of performance.

7. Invoicing and payment terms

- 7.1. Invoices from the Supplier shall be issued in a single copy and shall for each delivery contain all the information required in the order. Invoices must not be enclosed with consignments of goods; they must

be sent directly to the **FCA Department**.

- 7.2. Unless otherwise agreed, invoices shall be paid within 20 days with a 3% discount or within 30 days with a 2% discount or within 60 days net. The period shall begin from the point at which both the invoice and the goods or services have been received by us.
- 7.3. Payment shall be made subject to invoice verification.

8. Acceptance/Warranty

- 8.1. Goods shall be accepted subject to inspection for correctness and suitability. We shall be entitled to inspect the delivery or work performed insofar as and as soon as this is feasible in the normal course of business; we shall report any defects immediately upon discovery. In this respect, the Supplier shall waive the right to object to notifications of defects as untimely.
- 8.2. The period of warranty shall be 24 months unless a longer period is agreed in individual cases.
- 8.3. If as a result of unsatisfactory delivery a more thorough inspection of goods is required on receipt than is normally necessary, the cost of this shall be borne by the Supplier.
- 8.4. In the event that a delivery item is found during the warranty period to be defective, TESAT may request supplementary performance, i.e. choose at its own option rectification of the defect or delivery of an item which is free of defects. The Supplier shall bear the expenses required to complete such supplementary performance, including but not limited to transport costs, road costs, labour costs and material costs. Further legal claims shall remain unaffected.
- 8.5. In urgent cases, in particular where it is necessary to avert imminent danger or prevent excessive damage, we shall have the right to rectify the identified defects ourselves or arrange to have said defects rectified at the expense of the Supplier.

9. Product damage

- 9.1. In the event that a customer or other third party makes a product liability claim against us, the Supplier shall be obligated to indemnify us from such claims if and insofar as the damage has been caused by a fault in the product supplied by the Supplier. In cases of liability based on fault, however, this shall apply only where the Supplier is at fault. If the cause of damage is the responsibility of the Supplier, the latter shall bear the burden of proof in this respect.
- 9.2. In such cases, all costs and expenses shall be borne by the Supplier, including the cost of any legal action or recall of goods. In all other cases, the statutory provisions shall apply.

10. Performance of work

- 10.1. All persons who perform work on the factory premises for the purpose of executing the contract shall comply with the provisions of the relevant rules of operation ("Leitlinie"); all regulations relating to entering and leaving the factory premises must be adhered to. No liability shall be accepted for accidents which occur on the factory premises and involve such persons, unless such accidents have been caused by intent or gross negligence on our part.
- 10.2. Any personnel provided by us shall be under the supervisory authority of the Supplier with regard to installation work and shall be deemed to be vicarious agents of the Supplier.

11. Provision of material

- 11.1. All documents and objects of any kind provided to the Supplier by TESAT shall remain the property of TESAT. They may only be used for the purpose of supplying the goods ordered. The Supplier shall insure any materials provided to him against loss and deterioration. The Supplier shall have no right of retention over materials belonging to TESAT, unless counterclaims are undisputed or established as legally binding.
- 11.2. To the extent that objects provided by TESAT are converted or remodelled by the Supplier to create a new movable item, TESAT shall be deemed to be the manufacturer. In the event that objects are combined or inextricably mixed with other objects, TESAT shall acquire joint ownership of the new item in proportion to the value of the objects at the time of combining or mixing. If objects are combined or mixed in such a way that the objects belonging to the Supplier are to be regarded as the primary element, it is hereby agreed that the Supplier shall assign proportionate joint ownership to TESAT. The Supplier shall hold the share of the joint ownership on behalf of TESAT free of charge.

12. Confidentiality

- 12.1. The order placed by TESAT shall be treated as confidential. Moreover, the Supplier shall undertake to treat as confidential all commercial and technical information and documents which are not in the public domain, and which are disclosed to him in the course of the business relationship, even beyond any term of the order or premature termination of the order, and to use such information and documents exclusively for the purpose of supplying the goods ordered. The obligation to maintain confidentiality shall extend accordingly to any subcontractors.
- 12.2. Products which are manufactured according to documentation drawn up by us or according to confidential information supplied by us or using our tools or copies of our tools may not be used by the Supplier himself or offered or supplied to third parties.
- 12.3. Any mention or display by the Supplier of the TESAT corporate name or of trademarks or equipment belonging to TESAT in advertising material, references, trade fair stands or other publications shall require prior written consent from TESAT.

13. Spare parts, willingness to supply

- 13.1. The Supplier shall be obligated to supply TESAT with spare parts on reasonable terms for a period equivalent to the ordinary useful life of the product, and in any event for not less than ten years after the final delivery.
- 13.2. In the event that the Supplier discontinues supply of the delivery item following expiry of the period stated in paragraph 13.1 or during this period, he shall allow TESAT the opportunity to place one last order.

14. Place of jurisdiction, applicable law

- 14.1. The place of jurisdiction shall be chosen by us and shall be Stuttgart, the place of execution or the location of the registered office of the Supplier.
- 14.2. The contract shall be subject to the law of the Federal Republic of Germany to the exclusion of the standard United Nations Convention on Contracts for the International Sale of Goods (CISG) or other conventions relating to the law governing the sale of goods.
- 14.3. The delivery of goods and the performance of services shall be carried out in accordance with the documents and data referred to in the order, and, furthermore, with strict adherence to laws, legal ordinances, guidelines and other administrative regulations which have been incorporated into German law or which have come into force as German laws, or any EU directives or regulations which are directly applicable in German law.

15. Export control

- 15.1. Compliance with the law governing export control is of utmost importance.
- 15.2. The Supplier shall be obligated to notify us in a legally binding manner of the export control classification of the ordered goods, software and/or technology as required by national and US export control law, using the enclosed form entitled "Supplier's Information about Export Control". Any amendments to the export control classification must be reported immediately.
- 15.3. Furthermore, it shall be incumbent upon the Supplier to obtain the necessary export licences or other relevant permits from the responsible authorities without delay and to provide TESAT with copies thereof.

16. Insurance

- 16.1. The Supplier shall maintain all insurance required for proper business operation to a reasonable extent and shall furnish evidence upon request. This expressly includes employer's liability insurance with coverage of at least € 2.5 million per personal injury/property damage. Any further claims for damages remain unaffected.

17. Severability clause

- 17.1. Should one of the preceding provisions be invalid, this shall be without prejudice to the validity of the remaining provisions. The invalid provision shall be replaced by a valid provision that corresponds as closely as possible to the factual, legal and commercial purpose of these General Conditions of Purchase in their entirety and the contractual agreements. The same shall apply in the event that these General Conditions of Purchase are found to contain a loophole.