

PRIMAPOL-METAL-SPOT, s.r.o., Jungmannova 23/11, 11000 Praha 1, registration in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 102923, ID:27187098 („Company“) issues as an attachment of the business contracts with suppliers of aeronautical materials the following:

GENERAL PURCHASE TERMS FOR AERONAUTICAL MATERIALS

valid from od 1.11.2018

Volume, Quantity or Number, and Place of Delivery of the Goods.

1. SCOPE OF VALIDITY, ORDERS, DEFINITION

1.1. These General Purchase Terms („Terms“) apply to the purchase of goods and materials, including parts or components specified by the customer's requirement for use in the aeronautical industry and cosmonauts, as well as other supplies of goods ("Goods") and (also) services ("Services") by Primapol-Metal-Spot s.r.o. ("Company").

1.2. These Terms apply to all present and future business relationships relating to the purchase of Goods and Services for use in aeronautics and cosmonautics by the Company, although not expressly stated. Standard terms of the Supplier are not applicable unless the Company expresses their express written consent. The Terms also apply if the Company, knowing the Supplier's contradictory or different terms, accepts Goods or Services without reservations.

1.3. The „Order“ means an application (in any form) to the Supplier for the supply of Goods or Services, and any Specifications and other attachments thereto, which are always supposed to include the Terms. The conditions are supplemented to the Order; in the event that a conflict arises between the Order and the Terms, the terms of the Order are preferred.

1.4. Any Order confirmed by the Supplier without reservation or modification during the takeover, an Order confirmed by the Supplier with reservation or modification or confirmed so that the Company received it after the due date of acceptance but approved by the Company (in any form) or other agreement between the Supplier and the Company referred to these Terms constitute the "Contract". Any specification of the Goods and/or Services contained or incorporated in the Contract by a reference or any other specification agreed in writing between the Company and the Supplier is referred to as the "Specification".

2. SUPPLY OF GOODS AND SERVICES

2.1. Quality and timeliness is crucial to the Contract fulfilment by the Supplier. Notwithstanding any other rights that may arise for the Company from the Agreement or for any other legal reason, the Supplier shall promptly inform the Company in writing, if there are circumstances, that indicate that the delivery of the Goods or the execution of the Services will not be met.

2.2. At each delivery of the Goods, the Supplier is responsible for ensuring consistent compliance with all legislation and regulations relating to the transportation and delivery of such Goods, particularly in view of the fact that they are Aeronautical and Cosmonautical Goods.

2.3. Each delivery of the Goods must include documents containing at least the following information and any other information required by the Company: Order Number, Description of Goods, Delivery Standards, Supplier's Name, Unit Specifying

2.4. All Goods must be packed securely to prevent damage during loading, transport and unloading, and in accordance with the packing specifications as may be required by the Company to the Supplier. The Supplier is obliged to clearly and appropriately label all packages that contain fragile or otherwise readily damaged material, or the packaging contain otherwise specified material (such as radioactivity, toxicity, etc.)

2.5. In addition, the Supplier is obliged to:

2.5.1. Provide the Company, at its request, with documents of origin, declarations, documents, production and material certificates and data relating to business requirements, and inform the Company, if requested, in detail and in writing of any possible export or authorization limitations in the country of origin of the Goods or Services or in their place of destination;

2.5.2. Provide all details related to any immediate or long-term potential risks or threats that are associated with the Goods.

2.5.3 Archive the documentation in accordance with applicable law and, at the request of the Company or its authorized supervising or auditing bodies verifying aviation standards, to enable investigation of all documents relating to the Goods and business cases of the Company.

3. QUALITY REQUIREMENTS

3.1. The Supplier must provide the Goods of the highest quality and in accordance with the required warranties. The Supplier must comply with the applicable law measures, the requirements of Good Industrial Practice and Standards, and must develop, manufacture and test the Goods to be delivered in order to comply with these requirements and the requirements of the contract.

3.2. If the Supplier discovers, that the Goods or Services do not meet the Supplier's quality and warranty requirements and/or if the Supplier has reasonable doubt as to the compliance of the Goods and/or Services with these requirements, the Supplier shall immediately inform the Company in writing and suggest further action.

3.3. The Company may review the Goods and/or Services at any time prior to the delivery or completion of the Goods or Services in the Supplier's territory or at any other location. This review from the Company does not exempt the Supplier from its responsibilities or obligations associated with the Goods and Services and does not include the consent and acceptance of Goods or Services by the Company. The Company's right to pre-delivery review does not relieve the Company of the right to refuse Goods after delivery.

3.4. The company may require certificates and data on the place of origin of raw materials and documentation on the testing of materials and

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equipment used to secure resources and produce the Goods including the use of human resources (slave labour). The Supplier must provide these documents to the Company within five business days from receipt of such a request.

4. EXAMINATIONS AND TESTS

4.1. The Supplier must deliver all Goods and Services in accordance with the Contract and the Specifications. The Company may review and test the Goods before its despatch or after delivery. Any obligation of the Company under the applicable law to review Goods or Services or to notify the Supplier of any deficiencies during a certain period of time is hereby excluded from the extent permitted by law. If the obligation of review cannot be ruled out, the following measures will apply: The Company is only required to examine the Goods in terms of its identity and quantity and apparent damage arising during carriage, and the Company must inform the Supplier of any such deficiencies within 30 days after the delivery.

5. WARRANTIES AND OBLIGATIONS OF THE SUPPLIER

5.1. Notwithstanding any warranty arising out of the contract or any legal reason, the Supplier warrants that the Goods and any parts or materials used in the manufacture or performance of any work relating to the Goods will have the following characteristics:

5.1.1. It will be suitable for the intended purpose;

5.1.2. It will be suitable for any particular purpose as defined by the Company to the Supplier;

5.1.3. It will in all respects comply with the Specifications and, where applicable, with any samples; in particular, scales, measures, markings, descriptions, words, particulars, or labels, if applicable, which will be embossed, printed or otherwise affixed to the Goods or (including any required country of origin designation) or relating to the delivered Goods, will be real and correct and will meet all regulations, rules and requirements in aeronautics and cosmonautics;

5.1.4. It will be free of any defects, whether hidden or others;

5.1.5. It will comply with all applicable international and local laws and regulations relating to the manufacture, sale, packaging, labelling, safety standards and use of the Goods that are in force on the date of delivery;

5.1.6. It shall be accompanied by any information, warnings, instructions and documentation relating to the use of storage, operation, consumption, transportation and disposal of the Goods;

6. SUBCONTRACTORS

The Supplier will require from its subcontractors to comply with all obligations arising from contracts with the Company, including keeping information

secret. Notwithstanding any consent given by the Company, the Supplier will be liable to the Company for any conduct or omission of its subcontractors, as though it were his own actions. No subcontracting agreement releases the Supplier obligations to provide the Goods or to perform the Services or any other obligation under the Agreement.

7. SUPPLIERS' BEHAVIOUR RULES

7.1. It is known to the Supplier, that the Company is a supplier of materials and services to the aerospace industry and cosmonautics and applies in its acting the requirements set forth in the aeronautical standards for this area of activity. The Supplier must comply with the Company's requirements to apply these aeronautical standards and consistently maintain a high level of attention to this fact as well as to promote the highest possible level of professional competence in all its activities in this regard. These are primarily the following:

- to introduce a quality management system;

- to use external providers identified by the customer or approved external providers, including process sources (such as special processes);

- to notify the Company of the status of non-conforming processes, products or services and to obtain consent to liquidation;

- to prevent the use of suspicious unapproved and counterfeited materials or parts;

- to notify the Company of the status of changes in processes, products or services, including changes in their external suppliers or site of production;

- to provide external providers with all valid requirements, including customers' requirements;

- to provide a certificate of conformity, a test report or a release certificate, as appropriate;

- to retain documented information, including the determination of retention times and disposal requirements;

- to ensure that the Company, its customers and regulators have an access to the relevant areas of the facility and applicable documented information at any stage of the supply chain;

- to ensure that people are aware of:

- what their contribution is to the conformity of products or services;

- what their contribution to product safety is;

- what is the meaning of ethical behavior.

In respect of this, the Supplier shall not perform any activity in the supply of Goods and/or Services to the Company that would constitute a breach of these standards.

Pletený Újezd 31.10.2018

Yoram Abraham
Executive Director