

General Conditions of Purchase (GCP)

1. Scope

1.1. The quality management system (QMS) of BR Electronics 2 ApS (the "Buyer") is based on requirements of ISO 9001 and AS9100 standards. These General Conditions of Purchase (the "General Conditions") describes the Supplier Requirements necessary to satisfy ISO 9001 and AS9100. The General Conditions apply to all quotations, purchase orders and order confirmations between Buyer and a Supplier of goods and/or services (the "Supplier") in respect of the delivery of such goods and/or services (the "Products"). Deviations from the General Conditions shall only apply if such deviations are expressly agreed in writing between the Buyer and the Supplier. The Supplier's Standard terms, National or International Terms for Sale and Delivery are expressly excluded. The General Conditions constitute an entire understanding between the Parties with respect to the subject matter. The General Conditions shall override any general terms and conditions issued with or referred to in any pricelist(s), purchase order(s), order confirmation(s) or any other communication(s).

1.2 By accepting our purchase order, it is understood that Supplier agrees to meet the following ISO 9001 and AS9100 requirements.

2. Quotations

2.1. Each Party shall cover its own costs and expenses for preparation of quotations. A quotation from the Buyer does not constitute a binding order but only a non-binding request.

2.2. All prices contained in an offer from the Supplier based on a quotation from the Buyer shall be according to the technical descriptions and/or drawings delivered from the Buyer, in the agreed currency exclusive of VAT and any existing public duties and other costs. The prices shall be fixed for the required period of time. Any possible price adjustments beyond the fixed period for components and raw material, tariff rates, import/export duties, exchange rates or other conditions shall be clearly stated and documented including their individual influence to the prices. The Supplier shall obtain no rights to drawings, technical descriptions etc. delivered from the Buyer and shall immediately return such including copies hereof upon the Buyers request. Any changes in Prices must be approved by Buyer in writing. Any changes in Prices shall take immediate effect, unless otherwise agreed between the Buyer and the Supplier.

3. Ordering and Changes

3.1. Purchase orders issued by the Buyer shall be confirmed by the Supplier not later than two (2) working days from the date of the purchase order unless otherwise agreed upon in writing. If no confirmation is received within this period, the purchase order shall be null and void unless a written agreement has been concluded between the parties.

3.2. Any deviation from the time of delivery and volume set out in the purchase order when confirmed by the Supplier shall only be valid when confirmed by the Buyer in writing prior to the time of delivery set out in the purchase order.

3.3. Supplier shall notify Buyer immediately of any changes to the characteristics or configuration of the product and/or processes used to manufacture the product and/or changes of suppliers and changes of manufactory facility location. A First Article Inspection maybe required and shall be noted on the Purchase Order. Any changes are subject to Buyers' prior written approval.

3.4. Discontinuation of production — if Supplier considers to discontinue manufacturing a Component, Supplier must notify Buyer at least twelve (12) months prior to the intended date of interruption or discontinuation in order to give Buyer a chance to place an end-of-life order before the discontinuation. If Supplier acts as a reseller, he guarantees to immediately inform Buyer about a discontinuation or changes of Components, to define optional Components and to grant a last-order possibility. The notification has to comply with the JEDEC Product Discontinuance Standard.

3.5. The ordered end-of-life Components shall be delivered in one or more partial deliveries in accordance with Buyers instructions.

3.6. The Supplier shall ensure that his suppliers, Raw-Material Manufacturers and Service Providers are following same principles, and understanding between the Parties provided in this General Conditions.

4. Nonconforming Materials

4.1. The Supplier shall notify Buyer of any nonconforming material that has been delivered and any "use as is" or "repair" non-conformances to the requirements of any orders. "Use as is" and "repair" dispositions shall be submitted to Buyer for approval prior to implementation. Suggested dispositions, identification of the cause of non-conformance, and corrective actions taken shall be submitted in writing. Further work shall not be performed until directed by Buyer in writing or approvals.

5. Records/Data

5.1. The Supplier shall maintain on file and make available to (upon request) Buyer, its customers and/or regulatory authority, all quality data/records such as certificates of material and/or processes, acceptance test reports, inspection records, control plans and nonconformance and other applicable quality control data for a minimum of 10 years from completion of purchase order that directly affects the quality of parts/services ordered by Buyer. At the end of the retention period Supplier Shall provide the Option for Buyer to take possession of the record.

6. Counterfeit Parts

6.1. All Suppliers must adhere to AS6174 regarding, Counterfeit Material and Assuring Acquisition of Authentic and Conforming Material. Suppliers of raw materials/components shall insure that only new and authentic materials/components are used fulfilling purchase order(s) to Buyer. Distributors may only purchase materials/components directly from original manufacturers. Use of material that was not provided by these sources is not authorized unless first approved in writing by BR Electronics. The Supplier must present compelling support for its request and include in its request all actions to ensure the material is authentic and conforming including all applicable traceability.

7. Material Traceability

7.1. All items manufactured under purchase orders shall be traceable. Traceability and inspection record shall be available upon request by Buyer or customer representatives. Identification of materials shall include, as applicable, but not limited to the following types of information; lot number, date codes, specification, etc. In any case, Supplier shall record sufficient identification information to adequately identify material.

8. Delivery

8.1. If the Products are not delivered at the agreed time of delivery and such delay is caused by the Buyer, including in case of modifications to the Products requested by the Buyer after the Suppliers issue of an order confirmation, the time of delivery will be postponed to the extent the delay is caused by the Buyer.

8.2. The terms of delivery of Components shall be DDP according to INCOTERMS 2020, unless otherwise defined in the respective purchase order.

8.3. Product intended for delivery to Buyer shall be handled and packaged in a manner as necessary to prevent damage during handling and transit or as per the specification or purchase order requirements. Hazardous materials shall be packaged and clearly identified in such a manner as to include any and all special handling, packaging storage, environmental, or other requirements imposed by statute or regulation. Supplier may send a copy of MSDS with each shipment.

8.4. Materials with limited shelf life, Supplier shall identify each item, package or container of limited-calendar-life material with manufacture date, storage temperature, special handling conditions and requirements, in addition to the normal identification requirement of name, part number, type, size quantify and manufacturing recommended shelf life. This identification, including special handling conditions and requirements, shall be recorded on certifications and shipping documents for the material.

8.5. If the Products are not delivered at the agreed time of delivery the Buyer will be entitled to cancel the purchase order without any liability or further responsibilities towards the Supplier and claim compensation for the loss he may have suffered exceeding the liquidated damages.

8.6. If delivery is made earlier than one day before the agreed date of delivery, the Buyer shall at its own discretion be entitled to either (i) reject the Products and demand delivery at the agreed date; or (ii) accept delivery of the Products and claim reimbursement of storage and handling costs which have been incurred as a consequence of early delivery.

8.7. Title of the Products pass to the Buyer when received at the Buyers premises. The Buyer will usually not and shall not be required to examine the Products at the time of delivery or any time thereafter. The Buyer shall not lose any right against the Supplier as a consequence of not having carried out an examination of the Product.

9. Warranty

9.1. The Supplier warrants that all delivered Products are free from malfunctions and defects in material and workmanship and correspond to the technical documentation, information of the Products and the requirements provided by the Buyer, and or the DIN standard products delivered by Supplier shall be of the required quality for such products.

9.2. The warranty period shall endure for a period of twelve (12) months from the date of delivery. Additionally, The Supplier warrants that the Products are free and clear of any third party rights.

9.3. In the event of Epidemic Defect occurs or threatens to occur, in order to mitigate the loss or anticipated loss, Buyer shall have the right to, in addition to the remedies set forth above, to demand Supplier to modify or replace not only the defective Components, but also any other Components with the same article code, or Components which have been delivered or manufactured in the same manufacturing lot as the defective Components. Supplier shall compensate any other direct costs arising from or relating to an Epidemic Defect, including but not limited to cost of repair, replacement, recall and retrofit incurred by Buyer or Buyer' customer. "Epidemic Defect" shall mean any defect which appears within five (5) years from the Date of Delivery in more than zero point five (0,5%) per cent of Components delivered or manufactured in the same delivery lot, or any actual or anticipated threat of personal injury or damage to property resulting or arising from a defect in a Component.

9.4. Buyer has the right to deduct the value equal to the number of rejected Components from any invoice of Supplier for which purpose Supplier shall provide Buyer with a credit note accordingly.

10. Quality, On-site Survey & Surveillance (Right of Access)

10.1. The Suppliers QMS shall fulfil routines according to EN ISO 9001. Delivered products must not contain prohibited chemicals acc. to law (e.g. the REACH-regulation "Regulation EC No. 1907/2006"). Further, RoHS2 2011/65/EU and Annex II 2015/863/EU shall be fulfilled where applicable. The Supplier shall confirm that the Products do not contain conflict minerals originating from Democratic Republic of Congo (DRC) or an adjoining country (US Dodd-Frank-Act Section 1502).

10.2. Buyer, their end-customers and/or regulatory authorities (e.g. FAA, FMN or DOD) shall have the right to conduct surveys and surveillance within your plant, including any sub-tier's operations, to evaluate capability to comply with purchase order and/or quality requirements. Supplier will be required to support Buyer, their customers, or the third part authority's representative with adequate facilities, equipment and responsible Supplier personnel.

11. Liability

11.1. If a Product is defective (do not fulfill the warranty provided by the Supplier, cf. section 10.1. above), the Supplier is obliged to re-deliver or remedy the defective Product at his own expenses immediately. If the defective Product is returned to the Supplier, the Supplier is obliged to issue a credit note and invoice the new deliveries again as from the new delivery date.

11.2. In addition to the Buyer's right to demand re-delivery and remedy the Buyer shall be entitled to damages for any loss suffered by the Buyer due to a defective Product including indemnification against any third party claims raised as a consequence of a defective Product.

11.3. EXPORT CONTROL - supplier shall notify Buyer of any export control restrictions, which may apply to the Components. Supplier further agrees to provide Buyer upon request with all information necessary to accurately classify the Components under any applicable export regulations.

12. Code of Conduct

12.1. Buyer has built a reputation and ethical, moral and legal business standards by conduction business with honesty and integrity. If applicable, we ask that our suppliers adhere to the same standards when conduction business with Buyer. Buyer complies with the letter and spirit of every applicable local, state, federal law or regulation. Violations of these laws or regulations can be extremely costly to Buyer and can subject us to criminal penalties. We ask our suppliers to comply with all applicable laws and regulations when doing business with Buyer. For further information: www.brlectronics.dk

13. Environment

13.1. In accordance with ISO 14001, the Buyer is entitled to audit that the Supplier fulfils relevant aspects in relation to the environment.

13.2. The Supplier must comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety at work and to work on reducing the adverse effects of its activities on human being and the environment. In this respect the Supplier shall set up and further develop a management system in accordance with DIN ISO 14001 as well as DIN ISO 45001 and/or OHSAS 18001 within the realms of its possibilities.

14. Human rights

14.1. Further, the Supplier must comply with the principles of the UN Global Compact Initiative relating basically to the protection of international human right, the right to collective bargaining, the abolition of forced labour and child labour, the elimination of discrimination when personnel is engaged and employed, the responsibility for the environmental and the prevention of corruption. Further Accomplish Mare information on the UN Global Compact Initiative is available at: wm.unglobalcompact.org

15. Force Majeure

15.1. Neither the Buyer nor the Supplier shall, be liable to the other party in case of non- fulfilment of its obligations in respect of these General Conditions to the extent such non-fulfilment is caused by a Force Majeure Event. Force Majeure Event means any event or circumstance including, without limitation, however only to the extent such event or circumstance could not reasonably have been foreseen, avoided and was beyond the reasonable control of a party, acts of God, compliance with any law or governmental or quasi-governmental order, regulation, direction or any overriding emergency procedures, accident, fire, flood, storm, and strikes or any industrial action.

15.2. Force Majeure can only be claimed when the affected party has given the other party written notification no later than maximum two (2) days after the Force Majeure Event. Failing deliveries from the Suppliers sub - suppliers shall not qualify as a Force Majeure Event.

16. Business and Product Liability

16.1. The Supplier shall maintain and keep in force adequate business and products liability insurance covering the Products delivered to the Buyer. Coverage of injuries on persons or damage to property should be valid worldwide and not less than EUR 10 Mio. per year. A valid insurance shall be presented to the Buyer on demand.

16.2. The Supplier shall assume full responsibility and liability for any product liability claims ("Claims") related to the Products whether such claim is brought against The Supplier or the Buyer. The Supplier shall indemnify and hold the Buyer harmless from and against all Claims directed at the Buyer.

17. Governing law and jurisdiction

17.1. Any dispute between the parties arising out of or in connection with these General Conditions, including disputes on the existence or validity of the General Conditions, which cannot be settled through amicable negotiation between parties, shall be settled by arbitration arranged by The Danish Institute of Arbitration in Copenhagen in accordance with the rules of arbitration procedure adopted by The Danish Institute of Arbitration and in force at the time when such proceedings are commenced.

17.2. These General Conditions (General Condition of Purchase - GCP) shall be exclusively governed by Danish Law. The application of the UN Convention for the International Sale of Goods (CISG) shall be excluded.

18. Final stipulation

18.1. Should any provision of these General Conditions be void or nullified by virtue of applicable law, the Buyer and the Supplier shall consult each other and agree on a provision that actually is allowed and which as much as possible captures the purpose of the original provision.

These General Conditions of Purchase (GCP) apply for BR Electronics, May 28 2020