

Terms and Conditions of Purchase

of Airfoil Services Sdn. Bhd.
(hereinafter referred to as "ASSB")

effective 1st January 2020

1 Definitions

- 1.1 "Deliverable" means any deliverable or other product or result from Services that is referred to in a Purchase Order, and any related materials, data, documentation, and includes any Intellectual Property Rights developed by Supplier pursuant to such Purchase Order.
- 1.2 "Delivery Date" means the date of delivery of Deliverables, Goods or performance of Services as specified in a Purchase Order.
- 1.3 "Goods" means the goods that are required to be delivered by Supplier pursuant to a Purchase Order, and include all materials, component parts, packaging and labelling of such goods.
- 1.4 "Intellectual Property Rights" means all intellectual and industrial property rights and rights of a similar nature including all rights in and to, patents including all issued patents and pending applications therefore and patents which may be issued therefrom (including divisions, reissues, re-examinations, continuations and continuations-in-part); trade-marks; copyrights; industrial design rights; rights pertaining to trade secrets and confidential information; publicity rights; personality rights; moral rights; and other intellectual property rights whether registered or not and all applications, registrations, renewals and extensions pertaining to the foregoing.
- 1.5 "Purchase Order" means the purchase order between ASSB and Supplier for the purchasing of Deliverables, Goods and/or Services, to which this Terms and Conditions of Purchase (hereinafter referred to as "TCPs") are automatically incorporated as part of the agreement.
- 1.6 "Services" means any services to be provided by Supplier to ASSB pursuant to a Purchase Order.
- 1.7 "Supplier" shall mean the party indicated on the purchase order that is contracting with ASSB for the purchasing of Deliverables, Goods and/or Services.
- 1.8 "Supply Contracts" shall include the Purchase Order, TCPs and/or any purchasing contracts between the Supplier and ASSB.

2 General

- 2.1 Any legal relationship between the Supplier and ASSB shall be governed by this TCPs, unless and to the extent varied by special conditions expressly agreed upon in writing between ASSB and the Supplier.
- 2.2 Supplier shall be deemed to have agreed to be bound by the terms of this TCPs upon acceptance of ASSB's Purchase Order and/or purchasing contracts. Supplier hereby agree that the Supplier's general terms and conditions shall not be applicable and shall not form part of any supply contract between the parties, notwithstanding that ASSB may not have expressly objected to them in each individual case or the Supplier has declared to deliver subject only to its general terms and conditions.

3 Orders and Order Amendments

- 3.1 Supply Contracts and call-up notices as well as changes thereof or amendments thereto shall be made in writing. The ASSB purchase order acknowledgement box on the Purchase Order shall invariably be used by the Supplier to confirm acceptance of ASSB's Purchase Orders.
- 3.2 Supplier shall indicate, in any correspondence in connection with the fulfilment of a Supply Contract, the name of the person from ASSB placing the order and his/her department as well as ASSB's purchase order number including item number and ASSB's stock number
- 3.3 In case the Supplier does not accept a Purchase Order within two (2) weeks of its receipt thereof, ASSB shall have the right to revoke such Purchase Order. Any call-up notices from ASSB in varying the Delivery Date as specified in the Purchase Order shall become binding if the Supplier does not reject such call-up notice within one (1) week of its

receipt thereof.

- 3.4 To the extent reasonable, ASSB may demand changes or variations to be made by the Supplier to the Goods relating to design and specifications. In this case, the resulting consequences thereof, inter alia with respect to additional costs or reduction of costs as well as with respect to changes in Delivery Dates, are to be agreed by the parties in writing.
- 3.5 Supplier shall ensure that the Deliverables, Goods and/or Services provided in accordance with the Supply Contracts comply with all applicable legal requirements and regulations such as safety engineering regulations as well as environmental, accident prevention and other health and safety regulations in Malaysia or the relevant place of performance. Furthermore, the Supplier shall notify ASSB of any special, not commonly known, handling and disposal arrangements that may be required in connection with any delivery of Deliverables and/or Goods. The Supplier shall package, label and ship hazardous Deliverables and/or Goods in compliance with the applicable national and international laws and regulations.
- 3.6 In the event the Supplier shall be a supplier of a substance or a mixture within the meaning of Article 3 (32) of Regulation (EC) No. 1907/2006 (hereinafter called "REACH"), the Supplier shall in addition to the terms and conditions herein, fulfil all its obligations to be performed with respect to the deliveries of Deliverables and/or Goods in accordance with REACH. In particular, the Supplier shall provide ASSB with a safety data sheet in accordance with Article 31 of REACH in English in all cases in accordance with Article 31 of REACH. The Supplier warrants that all substances contained in the Deliverables and/or Goods 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 use by ASSB.

If the Deliverables and/or Goods are "articles" within the meaning of Article 7 of REACH, the preceding sentence shall apply to the substances present in these Deliverables and/or Goods. Moreover, the Supplier undertakes to notify ASSB without delay if any component of the Deliverables and/or Goods 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 packaged products supplied in connection with the Purchase Order.

4 Furnished Materials

- 4.1 Materials and objects of any kind furnished by ASSB (hereinafter referred to as "ASSB Materials") shall at all times remain the sole property of ASSB. Supplier shall take all necessary measures to store and hold in safe custody the ASSB Materials. Supplier shall label the ASSB Materials as ASSB's property and shall use the same solely for the purposes of performance of the Supply Contract.
- 4.2 To the extent that the ASSB 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 ASSB. ASSB shall immediately become owner of the new or transformed item. If this is not possible for legal reasons and ASSB Materials are joined or blended with other materials and items at such rate that they can no longer be separated., ASSB 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. The parties further agree that if ASSB 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, the Supplier shall confer co-ownership pro rata the value of the input by ASSB. Supplier shall retain custody of

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property owned or co-owned by ASSB at no extra cost and shall in so doing exercise the duty of reasonable care of a merchant in the relevant industry.

- 4.3 Supplier shall carry out any maintenance or inspection work that may be required on ASSB Materials and to take out adequate insurance cover for ASSB Materials inter alia for the transportation to and from third parties at Supplier's own costs with ASSB being endorsed as the beneficiary of the policy, and to provide documentary evidence thereof to ASSB upon ASSB's request.

5 Rights of Use / Intellectual Property Rights

- 5.1 Supplier shall grant ASSB an assignable, worldwide, royalty-free right, without restriction as to time and location, to use the Deliverables, Goods and/or Services (e.g. repairs or integration with other products) which right shall include the use of the Supplier's Intellectual Property Rights that are contained in the Deliverables, Goods and/or Services. Backup copies may be made by ASSB. Supplier shall inform ASSB immediately of any Intellectual Property Rights attained by the Supplier during the performance of a Supply Contract.

- 5.2 If the Deliverables, Goods and/or Services have been developed solely by ASSB or developed, adapted, tested or assessed jointly by Supplier and ASSB, such Deliverables, Goods and/or Services, or any component or parts thereof, shall not be supplied to third parties without ASSB's prior written consent. The same shall apply to Deliverables, Goods and/or Services that have been developed solely by the Supplier but have been paid for by ASSB under the Supply Contract.

- 5.3 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 but not limited to drawings, documents in electronic form, computer programs and technical documents (hereinafter "Development Results") shall be the exclusive property of ASSB. Development Results shall be disclosed fully and comprehensively to ASSB. Supplier shall inform ASSB without delay of any patentable Development Results and shall make any and all information required available to ASSB. Ownership of patentable Development Results shall be deemed to be transferred to ASSB upon ASSB's remittance of payment to Supplier in accordance with the terms of the Supply Contract. Supplier shall unconditionally claim patentable Development Results developed by its employees in the performance of such Supply Contract by asserting the rights toward such employees. Through asserting this claim, the patentable Development Results shall be deemed to be transferred to ASSB.

6 Confidentiality

- 6.1 "Confidential Information" shall be all commercial, financial, operational or technical information, documents, data, know-how, trade secrets, existence or contents of this TCPs and inventions (whether patentable or not) and in whatever form (verbal, written, digital or embedded in hardware) made available to Supplier or disclosed to Supplier by ASSB. This include but is not limited to design schemes, processes, drawings, specifications/ procedures, designs, design data, inspection results, demonstrations, price lists, training documents and catalogues 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.
- 6.2 Supplier shall, at all times during the subsistence and after termination of Supply Contract (a) treat such Confidential Information as confidential (b) not disclose it to third parties, (c) protect and keep strictly confidential any part and/or the whole of any Confidential Information from disclosure to third parties, (d) use Confidential Information only for the purposes of the Supply Contract and (e) make available Confidential

Information to the extent necessary only to those employees who need to know the Confidential Information for performing the Supply Contract in which case they shall be informed of the confidential nature of such Confidential Information and shall be obligated to confidentiality obligations in accordance with the terms of the Supply Contract and this TCPs to the same extent as Supplier itself. Supplier shall be responsible for any breach of the terms of the Supply Contract and this TCPs by any of its employees. If ASSB agreed to subcontracting by Supplier to a third party, the Supplier shall ensure such third party's compliance to the confidentiality obligations stipulated in this Article 6. Confidential Information shall at all times remain ASSB's un-restricted 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 due to no fault of the Supplier, (b) was known to the Supplier before its disclosure by ASSB or (c) was developed independently by the Supplier provided that the Supplier can demonstrate that such development was carried out by persons who had no access to the Confidential Information or was otherwise lawfully received by Supplier.

- 6.3 Upon ASSB's request, Supplier shall immediately either return Confidential Information and copies thereof to ASSB with shipping term DAP (Incoterms 2010) or destroy all disclosed Confidential Information and copies thereof and Supplier shall confirm such destruction to ASSB in writing.

7 Subcontracting

Supplier's subcontracting to third parties shall be subject to ASSB's prior written consent whereby the subcontractors shall be expressly obligated to comply with the confidentiality obligations set out in Article 6.

8 Place of Performance, Shipment, Export Control Conditions

- 8.1 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, ASSB's business address in Malaysia shall be deemed as the place of performance.
- 8.2 All shipments of Deliverables, Goods and/or performance of Services shall be subject to ASSB's right of inspection. For Deliverables and/or Goods not involving assembly or installation work, the risk shall pass to ASSB upon ASSB's receipt of the Deliverables and/or Goods at the place of delivery stated by ASSB in the Supply Contract. For Deliverables and/or Goods involving assembly or installation work, the risk shall pass to ASSB upon ASSB's written acceptance of the assembled or installed work at the place of delivery.
- 8.3 Shipment shall be in compliance with ASSB's shipping instructions. Deliverables and/or Goods must be packaged appropriately and shall conform to the relevant industry practice in consideration of ASSB's requirements. ASSB shall be entitled to instruct the Supplier as to the type and method of packaging.
- 8.4 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 ASSB's order number including item number, the name of the person from ASSB placing the order and his/her department, ASSB's delivery note number as well as the Delivery Date, the date of shipment, the type of packaging, ASSB'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).
- 8.5 Export control

Supplier is obligated to comply with all applicable export

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laws and regulations. For each Supply Contract, Supplier has to notify ASSB about the applicable export control classification of the ordered items or services.

- 8.6 Supplier shall ensure supply chain security and observe legal policies and conditions. Supplier shall, on ASSB's request, provide reasonable documentary evidence, such as certificates or statements of respective internationally recognized initiatives (e.g. AEO, C-TPAT) and to support ASSB in official audits and ensure that the Supplier's business partners comply with the standard of supply chain security reasonably expected in the industry. Supplier shall inform ASSB immediately of any changes or threats to the supply chain. Supplier shall protect the Deliverables and/or Goods provided to ASSB or to third parties nominated by ASSB against unauthorized access and manipulation.

9 Delivery Dates, Delay in Delivery, Force Majeure

- 9.1 Supplier shall strictly comply with the Delivery Date and delivery times as stipulated in the Supply Contract. Timeliness of the delivery of Deliverables, Goods and/or Services is determined by the date on which the Deliverables, Goods and/or Services are received at the place of delivery stated in the Supply Contract by ASSB.
- 9.2 In the event of delay in delivery, ASSB 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 Deliverables, Goods and/or Services delayed, calculated on a weekly basis with effect from the expiry of the stipulated Delivery Date until the date of ASSB's actual receipt of such delayed Deliverables, Goods and/or Services up to a maximum of five (5) percent of the order value of the Supply Contract.
- 9.3 Cases of force majeure or any other unpredictable, unpreventable and serious events that are beyond the reasonable control of either party which shall not be attributable to the fault of 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 such party from their contractual duties for the duration of the disruption and within the scope of its effects. Supplier shall immediately inform ASSB in writing of any delay in delivery 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 ten (10) weeks, ASSB shall be entitled to terminate the Supply Contract without being liable to the Supplier.
- 9.4 ASSB is entitled to postpone the Delivery Date and delivery times stipulated in the Supply Contract up to a maximum of six (6) months. ASSB shall inform the Supplier in writing promptly of the circumstances compelling the change in the delivery and performance dates. Supplier undertakes to provide the delivery of Deliverables, Goods and/or Services in line with such changed delivery or performance dates.

10 Prices, Payment Terms, Invoice, Payment, No Assignment

- 10.1 The prices agreed in the Supply Contract shall apply.
- 10.2 Unless otherwise specified in the Supply Contract, payment shall be due within thirty (30) days from the Delivery Date subject to ASSB's receipt of Deliverables, Goods and/or Services together with the relevant invoice issued by Supplier. Payments made by ASSB shall not be deemed to constitute acceptance of Deliverables, Goods and/or Services as conforming to the Supply Contract. Supplier shall not claim for early delivery of services and invoices for partial quantities or partial services delivered ahead of schedule shall only become payable within thirty (30) days from the date where all Deliverables, Goods and/or Services under the Supply Contract have been delivered in full compliance with the

Supply Contract. Agreed discounts, if any, shall be deducted from the total amount invoiced.

- 10.3 The Supplier's invoice must be issued in compliance with the applicable Malaysian tax laws. The invoice shall contain ASSB's order number including item number, as well as the date of shipment, part designation as well as bank details (IBAN and SWIFT-BIC) for cross-border supplies for each delivery and service. The invoice shall be sent by AR registered mail or electronic mail to ASSB's accounts payable department (AccountsPayable@airfoil.com.my)
- 10.4 Unless otherwise specified in the Supply Contract, the payment shall be effected by way of bank transfer. Sales tax treatment and all other tax obligations shall be governed by the applicable Malaysian tax laws.
- 10.5 Supplier shall not assign its receivables to third parties or to have such receivables collected by third parties without the previous written consent of ASSB which shall not be unreasonably withheld. In the event where assignments are intended to be made to companies in which ASSB directly or indirectly holds an interest of more than 50%, consent is assumed to have been given by ASSB. Regardless of the assignment ASSB shall be entitled to choose whether payment is made to the Supplier or to the third party.

11 Quality Management

- 11.1 Supplier shall provide for an appropriate quality assurance and quality control system conforming to the standard of the relevant industry. The Supplier agrees to establish and maintain a quality management system which is oriented towards the requirements of ISO 9001/ EN 9100 rules and standards, and to observe and comply with any quality assurance agreements as well as any additionally mutually agreed quality provisions by the parties. Specific requirements on quality will be specified in the Supply Contract. No quality assurance or incoming inspection performed by ASSB shall relieve the Supplier of its contractual obligations.
- 11.2 ASSB shall be entitled to request the Supplier to procure approval of the quality management system to be done exclusively by certification companies listed in the database "Online Aerospace Supplier Information System" (OASIS) of the "International Aerospace Quality Group" (IAQG). On ASSB's request, Supplier shall allow ASSB a systemic access to the OASIS database in order to view the audit reports prepared by the certification companies.

12 Warranty / Warranties for Defects

- 12.1 Supplier warrants that its Deliverables, Goods and/or Services are free from defects in quality and defects of title. In particular, Deliverables, Goods and/or 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 Deliverables, Goods and/or Services shall conform to the state-of-the-art 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.
- 12.2 Warranty claims are subject to a limitation period of thirty six (36) months beginning on the day the risk of Deliverables and/or Goods are passed from Supplier to ASSB or upon ASSB's acceptance of the assembled or installed work (whichever applicable), unless statutory provisions provides for longer warranty periods, as for instance for buildings or objects that will be integrated into buildings.
- 12.3 ASSB will inspect Deliverables, Goods and/or 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 informed 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. Notwithstanding the foregoing, the Supplier hereby waives

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its right to reject such notifications for any reason whatsoever.

12.4 In the event of any defects in quality or defects in title in connection with the Deliverables, Goods and/or Services, ASSB shall be entitled to full statutory claims and rights. In particular, the Supplier shall bear all ASSB's expenses associated with the discovery and rectification of the defect(s), including but not limited to the costs of investigations, costs incurred up to the time the defect was discovered by ASSB, 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.

12.5 In the event the Supplier delay, fail or refuse to remedy the defect (be it rectification or replacement), ASSB shall without prejudice to ASSB's statutory rights, have the right (but shall not be obligated) to rectify the defects or have them rectified by a third party whereupon all costs and expenses incurred thereof shall be a debt due from the Supplier to ASSB and the Supplier shall pay to ASSB within fourteen (14) days from ASSB's written request of the same.

13 Infringement of Third Parties Intellectual Property Rights

13.1 Supplier shall be liable for any and all claims arising from the use of the Deliverables, Goods and/or Services due to any violation or infringement of any third party Intellectual Property Rights whatsoever (hereinafter collectively referred to as "Third Parties' Rights"). The Supplier shall indemnify and keep ASSB indemnified against any claims arising out of the use of such Third Parties' Rights and agrees to pay, upon ASSB's written request, for all damages, costs or expenditures (including costs and expenses on a solicitor client basis) incurred by ASSB as a result of such violation of Third Parties' Rights.

13.2 In the event that any Deliverables, Goods and/or Services provided by Supplier to ASSB are subject to a claim or allegation of infringement of Intellectual Property Rights of a third party, Supplier shall, at its own option and expense, without prejudice to any other right or remedy of ASSB (including ASSB's indemnification rights hereunder), promptly provide ASSB with a commercially reasonable alternative, including the procurement for ASSB of the right to continue using the Deliverables, Goods and/or Services in question, the replacement of such Deliverables, Goods and/or Services with a non-infringing alternative satisfactory to ASSB, or the modification of such Deliverables, Goods and/or Services (without affecting their respective functionality) to render them non-infringing.

14 Insurance

Supplier shall be obligated to take out appropriate general liability insurance and product liability insurance coverage for the Deliverables, Goods and/or Services and to provide documentary evidence of such insurance coverage upon ASSB's request. Supplier shall upon ASSB's written request assign to ASSB all its rights and interests in such insurance policy pertaining to insurance claim against the relevant insurance company.

15 Stockpiling, Readiness for Supply

Supplier shall guarantee an adequate stock level of parts and its ability to supply the Deliverables, Goods and/or Services for at least ten (10) years after the last delivery is effected. If the Supplier ceases delivery of the goods after the end or during the aforementioned period of ten (10) years, it shall provide ASSB with adequate notice to allow ASSB the opportunity to place a final order at reasonable terms.

16 Concluding Provisions

16.1 The Supply Contract shall be governed by the laws of Malaysia.

16.2 At ASSB's own choice, place of jurisdiction shall be the place of performance (according to Article 8.1) or Malaysia. Notwithstanding the foregoing, ASSB shall be entitled to bring a claim or action against the Supplier in any other court of competent jurisdiction.

16.3 In the event of deterioration in Supplier's asset or credit situation which is likely to seriously endanger the proper performance of Supplier's contractual obligations as contained in the Supply Contract and the terms and conditions herein, ASSB shall have the absolute right to terminate the Supply Contract without being liable to the Supplier.

16.4 The Supplier shall at all times comply with ASSB's Compliance Programme (available to view at <https://www.airfoilservices.com/index.php/the-company/compliance>). Supplier shall require its subcontractors and sub-tier contractors to comply with equivalent standards. ASSB shall have the right to verify the Supplier's compliance with ASSB's Compliance Programme by on-site audits to be carried out by ASSB or by a third-party appointed by ASSB. If it is discovered that the Supplier has violated any of ASSB's Compliance Programme, the Supplier hereby undertake to submit to ASSB a written statement along with a description of the actions to be taken to remedy such non-compliance. In the event the Supplier is involved in any illegal activity that may lead to criminal prosecution for corruption, favours, or active or passive bribery, ASSB shall have the right to terminate any and all legal relationships and contracts or agreement subsisting between ASSB and the Supplier without notice. The same applies in the event the Supplier uses child labour in the production process for its deliverables. If Supplier suspects any persons working at ASSB is involved in activities that may lead to criminal liability in terms of defraud, embezzlement, violation of competition law, offering an undue advantage or corruptibility, Supplier shall promptly notify ASSB's compliance manager (as stated in <https://www.airfoilservices.com/index.php/the-company/compliance>) of such suspicion.

16.5 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 and authorised 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 neighbouring countries. Upon request by ASSB, the Supplier shall provide any and all information necessary to ascertain the origin of the Conflict Minerals.

16.6 Sanctioned Countries

Supplier shall not in the course of performing the Supply Contract engage any subcontractors or sub-suppliers from sanctioned countries listed by the Office of Foreign Assets Control (OFAC), Department of Treasury, United States of America, or countries and regimes sanctioned by the United Nations Security Council.