

**1. AREA OF APPLICATION AND DEFINITIONS**

These General Terms of Purchase ("GTP") apply, unless specified otherwise in writing, to all contracts entered into by AMAC Aerospace Turkey Havaaracı Bakım Onarım ve Modifikasyon Hizmetleri A.Ş. ("AMAC TR") concerning the purchase by AMAC TR of certain goods or services ("Supplies") from the supplier ("Supplier"; AMAC TR and Supplier each a "Party" and together the "Parties"), in particular purchase contracts, contracts for work and material, contracts for the supply of services, data and any other procurement or service contract ("Purchase Contract").

These GTP form an integral part of any purchase order by AMAC TR ("PO") and of any Purchase Contract. The terms "PO" and "Purchase Contract" shall each include these GTP.

Supplier's acceptance of a PO or the like by any means, including by conduct, constitutes acceptance of these GTP and leads to the conclusion of a Purchase Contract.

In order to be binding upon AMAC TR, PO's must be signed by representatives of AMAC TR according to AMAC TR's internal signatory guidelines. PO's can also be generated electronically and are valid with electronic signatures by such representatives of AMAC TR and transmitted by e-mail. The same shall apply to any amendment or modification of the Purchase Contract, any consent or approval to be given by AMAC TR or any waiver by AMAC TR.

Any deviation on the order confirmation from the PO and these GTP must be confirmed in writing by AMAC TR to become effective. AMAC TR does not recognize any differing terms and conditions proposed by the Supplier unless AMAC TR explicitly consents to their applicability in writing. These GTP also apply if AMAC TR accepts a quote, offer or cost estimate that refers to differing general terms and conditions of the Supplier or if AMAC TR has knowledge of differing general terms and conditions of the Supplier.

The acceptance of the PO is required within 2 working days or immediately, in case of critical/AOG orders. AMAC TR has the right to withdraw any PO at any time, prior to the receipt of the Supplier's written order confirmation. The acceptance shall be sent in writing to the contact person mentioned in the PO.

Only where explicitly stated in these GTP, a PO may deviate from the GTP. Otherwise, in case of any contradictions between these GTP and a PO, the present GTP shall prevail.

These GTP can be amended from time to time without prior notice and are posted on AMAC TR's website. It is the responsibility of the Supplier to check the website for the latest revision and notify AMAC TR in writing of any objections.

These GTP, in the wording as amended from time to time, shall apply also to any future business relations with the Supplier even if they are not explicitly reiterated.

**2. QUALITY ASPECTS**

Supplies must comply with all applicable statutory provisions, regulations, safety laws and official ordinances.

Suppliers with an approved aviation authority approval must deliver to AMAC TR all documentation and certificates requested as per aviation regulations.

Unless specified in the PO, Suppliers without an approved aviation authority approval must deliver to AMAC TR certification of conformity documentation.

Additional documentation requests will be stated in writing or on the PO.

As required by aviation regulations, AMAC TR and aviation authorities shall be entitled to perform quality audits at the premises of the Supplier and its partners. The Supplier agrees to provide AMAC TR the necessary support to gather the requested information and access for investigations and occurrences.

As a result of such an audit, the Supplier might be asked to implement some measures in order to be in line with aviation regulations. Should the Supplier refuse to put in place these measures, AMAC TR has the right to withdraw from the PO and to recover all costs incurred.

The Supplier shall inform AMAC TR immediately in case of changes that might affect the quality of the Supplies. Such changes could be related to, but not limited to, changes within the organization of the Supplier, the Supplier's location or the Supplier's manufacturing process.

The Supplier must inform AMAC TR of any changes in air authority approvals be that of a temporary or permanent nature or voluntary or involuntary suspension/termination. In case of such a suspension/termination, AMAC TR has the right to withdraw from the PO and to recover all costs incurred.

The Supplier must immediately inform AMAC TR in writing of any deviations from the approved design data.

The Supplier shall not incorporate any deviations in approved design data without the prior written consent of AMAC TR.

In the event that a mandatory design change is required due to the issue of an airworthiness directive ("AD") pertaining to a product, then all the costs for any modification or changes required to comply with such AD shall be borne by the Supplier.

Suppliers shall not incorporate any chargeable modifications or changes into Supplies as a result of changes in regulatory standards other than ADs without the prior written consent of AMAC TR.

The Supplier is not allowed to subcontract any obligations without the prior written consent of AMAC TR.

### **3. CHANGES**

The terms and conditions of the PO may only be amended or modified in writing, acknowledged and signed by an AMAC TR representative authorized to do so according to AMAC TR's internal signatory guidelines. Any claim by the Supplier that the PO has been amended or modified except in compliance with the preceding sentence, shall give AMAC TR the right to cancel the PO, regardless of whether the Supplies ordered have been delivered to AMAC TR.

AMAC TR shall have the right to make changes in specifications, time and date of delivery, methods of transportation or any other changes. These changes shall be documented in writing ("Amendment"). The Supplier shall ensure that requested changes are provided following the terms in the Amendment. In case the Amendment causes an increase or decrease in costs or has a negative impact on delivery time, the Supplier has to provide this information immediately and AMAC TR may adjust the Amendment accordingly.

In no event shall AMAC TR be liable for any claim for an increase in price after payment for the Supplies.

### **4. DELIVERY, PACKING AND SHIPMENT**

Delivery dates are binding and delivery is due on the agreed delivery date. The Supplier understands and agrees that AMAC TR depends upon prompt delivery and performance of goods and services in order to meet AMAC TR's contractual obligations to third parties.

A delivery is on time if it is received on the delivery date as stated in the PO at the specified place of delivery.

After expiry of the delivery date the Supplier is in default without further reminder or notice.

AMAC TR is not obliged to accept a delivery before the delivery date set in the PO. In case of delivery before the date set in the PO, invoices shall be paid according to the date initially contracted.

AMAC TR may, however, whenever reasonably possible, request delivery in advance of the scheduled delivery date.

The Supplier shall, if requested, make partial shipments.

If the Supplier is unable to deliver the Supplies on the date as set out in the PO, the Supplier is obligated to notify AMAC TR immediately in writing and to state the reasons for the delay. The Supplier is obligated to indicate its earliest and latest possible date of delivery. This notification shall not authorize or excuse any delay unless AMAC TR provides a written approval.

In case of late delivery AMAC TR is entitled to demand liquidated damages in the amount of 1% of the contract value per day. AMAC TR's entitlement to liquidated damages shall be in addition to any and all remedies provided in law, including AMAC TR's right to delivery of the Supplies. For late deliveries, AMAC TR shall be entitled to demand express delivery at the supplier's own expenses. In addition, AMAC TR has the right to cancel any order (or partial shipment) if the supplier is unable to deliver the supplies on the date as set out on the PO.

If nothing particular is specified in the PO and subject to any deviating provisions set forth in these GTP, Supplies shall be delivered FCA (as defined in the Incoterms 2010) to the address specified in the PO.

Packaging shall not be charged unless otherwise specified on the quotation. All goods shall be packed adequately and securely to avoid damage during transport. Any additional costs caused by inadequate packaging shall be borne by the supplier.

### **5. PASSING OF TITLE AND OF RISK**

Title and risk to all Supplies passes to AMAC TR when the Supplies are delivered at the delivery point specified on the PO.

The Supplier warrants that all Supplies are delivered free and clear of all liens, charges or encumbrances, and that the title conveyed shall be good and the transfer rightful. If the Supplies have been either originated or designed by AMAC TR in accordance with specifications or other data furnished by AMAC TR, all rights to the Supplies or such other data and all

rights to the reproduction, use or sale thereof are, and shall continue to be owned solely by AMAC TR.

## 6. PRICES, INVOICE AND TERMS OF PAYMENT

The prices agreed are fixed prices inclusive of packaging and where applicable transport costs to the place of delivery as specified in the PO.

All invoices sent to AMAC TR must:

- a) comply with the applicable tax law provisions;
- b) reference the PO;
- c) list individual component and item prices.

A separate invoice is to be issued for each PO.

If the invoice does not comply with the above, AMAC TR has a right of retention of payment until the invoice is rectified.

Invoices for standard purchase, repairs and service orders must be received within 30 days upon delivery. Invoices received after this time-limit will not be honored by AMAC TR.

Invoices for returned rental units and core units after an exchange transaction must be received latest 90 days after return of core unit. Invoices received after this time-limit will not be honored by AMAC TR.

Parts returned back for credit due to, but not limited to defects, double shipments or order cancellation shall be refunded within 15 days.

Claims against AMAC TR concerning defective material sent back for credit must be brought within 15 working days after receipt of such material. Claims or invoices received after this time limit will not be honored by AMAC TR.

Unless otherwise agreed in writing, invoices shall be paid with 3 % discount within 14 days or net within 60 days after receipt of a correct invoice and after delivery of the respective Supplies (whichever is later).

Costs for bank transfer shall be shared between Supplier and AMAC TR. With the debit of AMAC TR's bank account the payment shall become effective.

In the event of complaints, AMAC TR may withhold due payments in the amount of the complaints until any disputed items are resolved and/or defects in work corrected. Payment of an invoice does not nullify the right to submit subsequent notices of non-conformities.

The Supplier is prohibited from and shall not set off invoiced amounts or any portion against sums that are due or may become due to the Supplier.

Notwithstanding anything to the contrary herein, AMAC TR shall (without prejudice to any other right

or remedy available) be entitled to withhold payment of any amount due to the Supplier in the event the Supplier is in breach of its obligations set forth in a Purchase Contract or these GTP.

The Supplier shall not withhold delivery of any Supplies under a particular Purchase Contract for disputed or unpaid amounts by AMAC TR under any other Purchase Contract with the Supplier. Performance or non-performance by AMAC TR of any of its obligations under a particular Purchase Contract shall not affect the performance by the Supplier of its obligations under any other Purchase Contract between the Supplier and AMAC TR.

## 7. PARTS OBSOLESCENCE

The Supplier agrees to continue all manufacturing capabilities and/or provide alternate support for the form, fit and functional requirements for the original configurations on any/all of the "out-of-production" configurations, modifications or enhancements, so long as the model aircraft for which it was designed remains in service.

Supplier further agrees to provide AMAC TR 90 days written notification for "last-time-buy" options for any obsolete end items and parts of assemblies at the pricing set forth in the PO where applicable.

## 8. EXPORT LICENSE

The Supplier is required to comply with the trade regulations as set forth by their country's government agencies responsible for export/import authorization and compliance, and to advise AMAC TR of any and all restrictions that may be imposed upon AMAC TR in connection with such Supplies. The Supplier may be subject to trade regulations as set forth by the Supplier's country's export laws and regulations ("Export Regulations") that may include U.S. export laws and regulations, and both the Supplier and AMAC TR acknowledge that diversion contrary to such Export Regulations is prohibited.

The Supplier shall identify any item of the Supplies which is subject to Export Regulations and shall provide AMAC TR with all information concerning such applicable Export Regulations as well as with any assistance AMAC TR may request in implementing such applicable Export Regulations. Whenever all or part of the Supplies is subject to Export Regulations, and without prejudice to its obligations under this provision, Supplier shall notably:

- a) be responsible for obtaining, at no cost to AMAC TR, all relevant official approvals,

licenses and authorizations required for the worldwide export and delivery of the Supply item to AMAC TR, and if identified on the PO, the end customer, for operation on an aircraft operated worldwide; and

- b) where all or part of a Supply item is subject to export licensing procedures, Supplier shall ensure that an export license or similar documentation is issued by the relevant authorities in time to allow delivery and operation of the Supply item, and incorporation into the aircraft identified in the relevant PO, if any, by AMAC TR or the end Customer; and
- c) state on all delivery notices and invoices the export control number according to the applicable Export Regulations.

## **9. WARRANTY**

The Supplier warrants that its Supplies

- a) possess all warranted characteristics, including the prescribed performance figures and specifications, drawings, design, samples and other referenced descriptions and technical documents; and
- b) are of good material and workmanship (including design, if Supplier is responsible thereof); and
- c) are free of any defects which might materially or legally impair their value or their suitability for their intended use; and
- d) are delivered with all requested and necessary documents and certificates; and
- e) comply with all applicable laws and regulations, including, but not limited to, any national and international aviation regulations, special safety regulations and environmental- and work safety regulations.

The Supplier's warranty also covers parts fabricated by subcontractors.

All Supplies with shelf life must indicate a date of expiry. They must have at least 75% shelf life remaining upon receipt by AMAC TR.

It is upon the Supplier to prove that the Supplies are conforming with the above warranties.

The Supplier agrees to indemnify and hold AMAC TR and their officers, directors, partners, employees, shareholders and affiliates ("Indemnities") harmless from and against any third parties' claims (including, but not limited to warranty claims, infringement claims, claims for personal injury and/or damage to

property), damage, loss or expense (including attorneys' fees) arising out of, because of, or in connection with any breach of warranty.

## **10. INSPECTION AND NOTIFICATION**

AMAC TR will inspect and, at its discretion, test the Supplies and notify the Supplier in a reasonable time of any non-conformity discovered.

The Supplier will consider any notification of non-compliance with the Supplier's warranties made by AMAC TR, even if late.

In case of assembly of the Supplies into an aircraft or parts thereof the Supplier accepts that AMAC TR is not obliged to inspect and test the Supplies and to notify the Supplier of any non-compliance with the Supplier's warranties before the aircraft or parts thereof have been handed over to, tested and used by the operator.

AMAC TR may at all reasonable times, including the period of manufacture, inspect and test the Supplies and components thereof, and inspect the involved plants of Supplier and Supplier's subcontractors or agents. Upon request, Supplier shall provide AMAC TR, without cost to AMAC TR, written or oral reports relating to the status of Supplier's performance hereunder. No such inspection, testing, delivery nor payment for the Supplies delivered shall constitute acceptance thereof.

## **11. Warranty Period**

The Supplier's warranties shall expire after a period of 36 months from the date of delivery at the delivery point specified on the PO, or 24 months from the date of delivery of the aircraft to the operator, whichever is later, unless the PO provides for a longer warranty period. This entire warranty period shall recommence after replacement or repair pursuant to paragraph 12 below.

Notwithstanding the foregoing, the warranty period shall be at least as favorable as the warranty period offered to the Supplier's most preferred customer at no additional costs to AMAC TR.

## **12. REMEDIES**

AMAC TR may, if the Supplies or any part or portion thereof are non-compliant with the Supplier's warranties, do any or all of the following:

- a) Reject or return those Supplies which, in AMAC TR's judgment, fail to pass inspection or meet warranty or conform to the requirements of the PO, including with respect to timeliness of

delivery. As to returned Supplies (and as to rejected Supplies, but only if AMAC TR so directs), the Supplier shall promptly, at its expense, and at AMAC TR's discretion, repair or replace such Supplies, and the Supplier shall also be responsible for AMAC TR's cost of removal and reinstallation of such Supplies. Upon rejection or failure to promptly repair or replace, AMAC TR may cancel the PO in which case Supplier shall be responsible to reimburse AMAC TR for any and all costs and damages in relation to such cancelled PO.

- b) Accept or retain non-compliant Supplies and either equitably reduce the purchase price of those Supplies or repair them at Supplier's expense. AMAC TR reserves the right to require repayment, or to set off any expenses incurred by AMAC TR resulting from rejection, return or repair and any amount paid for such non-compliant Supplies pending a compliant redelivery against any amounts owed to the Supplier (irrespective of whether such amounts owed are in connection with the PO or not).

Acceptance of Supplies previously rejected or returned or of used Supplies may be refused or revoked if delivery is not accompanied by written notice that those Supplies were previously rejected, returned or used, even if delivery is otherwise compliant.

Any and all remedies herein specified shall be in addition to any further remedies provided in law.

### **13. TERMINATION FOR DEFAULT**

If at any time either Party is in default under the Purchase Contract and has failed to remedy such default to the reasonable satisfaction of the other Party within 30 days following notice from such other Party specifying such default, such other Party may terminate the Purchase Contract by written notice of termination to the defaulting Party within 10 days following said 30 days.

Either AMAC TR or Supplier may terminate the Purchase Contract immediately upon written notice if the other Party (1) becomes insolvent; (2) files a voluntary petition in bankruptcy; (3) executes an assignment for the benefit of creditors; (4) is adjudicated to be a bankrupt or insolvent or has a receiver or trustee appointed over the whole or any part of its assets; or (5) terminates its existence or ceases to do business.

Unless otherwise mutually agreed in writing, any termination of the Purchase Contract shall operate as

a cancellation of the entire undelivered or unperformed portions of the PO placed under the Purchase Contract by AMAC TR and accepted by Supplier prior to the effective date of such termination.

In the event of termination by AMAC TR as the result of Supplier's default, AMAC TR may purchase or manufacture similar supplies and/or require Supplier to transfer title and deliver to AMAC TR any or all Supplies or component parts thereof produced or procured by Supplier under the PO, and Supplier shall be liable to AMAC TR for any excess cost to AMAC TR in generating or procuring conforming Supplies. AMAC TR shall be liable to Supplier only for the amount of any work accepted but not yet paid for.

### **14. TERMINATION FOR CONVENIENCE**

AMAC TR may terminate, at its convenience, the PO, in whole or in part, in the event AMAC TR's contract for the implementation of the project which the Supplies are intended for is terminated. Such notification shall be made to the Supplier in writing at least 30 days prior to the effective date of the termination. After such notification, the Supplier shall not place any additional orders or enter into any subcontracts for materials or services as to that part of the work terminated. After the effective date of the termination, the Supplier shall (1) discontinue all work with respect to that portion of the PO terminated by AMAC TR, and (2) take such other reasonable action as may reduce the termination costs. In the event AMAC TR terminates the PO, in whole or in part, AMAC TR shall pay to the Supplier (1) an amount equal to the aggregate purchase price of all Supplies completed or services performed prior to the effective date of termination; and (2) all of the Supplier's actual costs incurred in the production of all uncompleted Supplies. The costs incurred in the production of all uncompleted Supplies shall represent a true and fair calculation by the Supplier. In no event shall the overall amount payable by AMAC TR under this clause exceed the total purchase price of the PO.

### **15. LIMITATION OF LIABILITY**

The Parties agree that, except as expressly provided otherwise herein, the liability of AMAC TR and its officers, directors, partners, employees, shareholders and affiliates for any claim, damage, loss or expense including attorneys' fees caused by AMAC TR under the Purchase Contract is excluded except in case of

gross negligence or willful misconduct of AMAC TR, limited to the sum of net Price of the Services.

## 16. FORCE MAJEURE

If either Party cannot perform any of its obligations due to force majeure, it shall be excused from liability for such failure and the time for completing any work shall be extended accordingly. The Party claiming force majeure shall immediately notify the other Party in writing if any force majeure event is occurring or is likely to occur and shall use best efforts to minimize the effects of any delay caused and continue with the work as soon as possible.

## 17. INTELLECTUAL PROPERTY

Title to and all intellectual property rights (including copyrights, trademarks, patents, design rights) in all documents or data (including plans, drawings, patterns or designs) ("IPR") supplied by the Supplier to AMAC TR remain with the Supplier or any third party which is entitled to such IPR. The Supplier shall indemnify AMAC TR against any and all losses suffered by AMAC TR arising from any infringement of any such IPR caused by the performance of any services provided, work done or Supplies delivered.

Title to and all IPR in all documents, data or means (including samples, plans, drawings, patterns, tools or designs) supplied by AMAC TR to Supplier remains with AMAC TR or any third party which is entitled to such IPR. AMAC TR shall indemnify the Supplier against any and all Losses suffered by the Supplier arising from any infringement of any such intellectual property rights caused by the performance of any services provided or work done.

All the Supplies designed in accordance with AMAC TR's specifications, drawings, tools, together with supplies subject to industrial property rights shall be exclusively supplied to AMAC TR and in no case be offered to or used by third parties. Documents, data or means (including samples, plans, drawings, patterns, tools or designs) designed by the Supplier on behalf of AMAC TR and at AMAC TR's expenses shall only be used for the fulfilment of AMAC TR's order. Such Supplies shall be stamped or marked as property of AMAC TR and returned in good order at first request.

The Supplier shall be responsible for the storage, preservation and safety of documents, data or means (including samples, plans, drawings, patterns, tools or designs) supplied by AMAC TR and consequently hold adequate insurance to cover fire, loss, destruction or theft.

## 18. MISCELLANEOUS

### Assignment

Neither the Supplier nor AMAC TR may assign any rights, duties or obligations without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

Notwithstanding the foregoing, AMAC TR may assign rights, duties or obligations under the Purchase Contract to a wholly owned affiliate or successor company without the prior consent of the Supplier.

### Severability

If a provision of the Purchase Contract is or becomes partially or entirely illegal, invalid, or unenforceable in any jurisdiction, that will not affect the legality, validity or enforceability in that jurisdiction of any other provision of the Purchase Contract, or the legality, validity or enforceability in any other jurisdiction of that or any other provision of the Purchase Contract. The entirely or partially illegal, invalid, or unenforceable provision will be replaced by a provision which complies with the Purchase Contract in meaning and intent. Any illegality, invalidity or unenforceability of one or several provisions of the Purchase Contract shall not affect the legality, validity and enforceability of the remaining provisions.

### No Waiver

The waiver by either Party of one breach or default shall not constitute the waiver of any subsequent breach or default, and shall not act to amend or negate the right of the Parties.

### Set-off

Supplier shall not be entitled to set off any of its claims against any of AMAC TR's claims.

### Notices and Process Agent

Any notices given under the Purchase Contract by any of the parties hereto shall be in writing (by mail or courier, email or fax) and shall be sent to the addresses of the parties as specified in the Purchase Contract. Any change of such address shall be communicated to the other Party. If Supplier is not domiciled in Turkey, Supplier shall during the Term nominate a process agent in Turkey for the purpose of receiving on behalf of Supplier any notices under the Purchase Contract and in connection with any proceedings in Turkish courts arising out of or in connection with the Purchase Contract. Any such notices to the process agent shall be deemed due and punctual notice and in case of cease of any process agent and until a new process agent is nominated and

notified to AMAC TR, notice to the ceased process agent shall be deemed due notice to Supplier.

**E-mails**

The information included in any e-mail issued by AMAC TR and any attachment(s) are intended for the sole use of the individual or entity to whom they are addressed. The e-mail may also be privileged and confidential and if the recipient is not the intended one, the recipient has no grounds for action and as a result of receiving it, included but not limited to copying it, distributing and changing it. If the communication has been sent as a mistake, the recipient shall contact AMAC TR and do not, at any time, show this email to any other party.

AMAC TR shall have no liability in any regard of the content of the communication and makes no claim to its accuracy. Any points of view or opinions presented are those solely of the author.

Although AMAC TR has taken steps to ensure that its e-mail and its attachments are free from viruses, AMAC TR cannot accept any responsibility for any loss or damage arising from the use of an e-mail and/or attachment(s).

AMAC TR may collect, use and/or disclose information provided in any replies to an e-mail (including any personal data) for purposes of or in connection with the Supplies, related service, or subject matter of the e-mail, for which such information is provided, or if otherwise required or permitted by law.

**Confidentiality**

All information whether technical, proprietary and/or of any other nature whatsoever, supplied or to be supplied by a Party hereto (the "Disclosing Party") to the other Party hereto (the "Recipient"), in anticipation of or pursuant to the Purchase Contract and any copies thereof, shall remain the property of the Disclosing Party and shall be treated as confidential by the Recipient. The Recipient shall protect and preserve all information obtained from the Disclosing Party hereunder in the same manner and with the same degree of care and control as the Recipient exercises for its own information of a similar nature, shall ensure that such information is used solely for the purpose of the Purchase Contract, shall disclose all information only to those employees or third parties having a need to know and shall not disclose the information or any part of it to any other person, firm, company or corporation without prior authorization in writing by the Disclosing Party.

AMAC TR has the right to claim back all information that was provided to Supplier (e.g. models,

specifications). The Supplier shall return this information promptly upon request.

Supplier undertakes to provide AMAC TR with all documents and information produced in connection with the construction of the supply. AMAC TR has an unrestricted right to use said documents and information.

**Applicable Law/Place of Jurisdiction**

Turkish law shall apply to all relationships between the Parties. The United Nations Convention on Contracts for the International Sale of Goods (CISG) of 11 April 1980 is expressly excluded.

Exclusive place of jurisdiction for all disputes is İstanbul Çağlayan Courts, Turkey.