

GENERAL CONDITIONS OF SUPPLY INNOVINT AIRCRAFT INTERIOR GMBH

1. General Conditions

1.1 The scope, quality and all terms and conditions of the supplies or services (hereinafter called "Goods") shall be exclusively defined by written declarations of both parties and by written provisions of these conditions (hereinafter called "Agreement").

General terms and conditions of the Buyer shall apply only where expressly accepted in writing by Innovint Aircraft Interior GmbH (hereinafter called "Supplier"). The Agreement shall be deemed to have been concluded upon receipt of Supplier's written acknowledgment stating its acceptance of the order.

1.2 In relation to any cost estimates, drawings, models, samples and other documents (hereinafter called "Materials"), the Supplier reserves all rights, title and interest regarding all intellectual property rights including but not limited to copyright in the Materials. Such Materials may not be made available to third parties without the prior consent of the Supplier and they shall, upon request, be immediately returned to the Supplier if he is not awarded the contract. Sentences 1 and 2 shall apply vice versa to Buyer's Materials; however, these may be made available by the Supplier to its sub-contractors and sub-suppliers.

1.3 The Supplier shall be entitled to provide partial Goods.

1.4 The Supplier shall not be obliged to perform this Agreement if such performance is prevented by any impediments arising out of national and

international foreign trade and customs requirements, any air safety requirements, procedures or regulations or any embargos or other sanctions.

1.5 The Buyer shall inform the Supplier about the standards and regulations applicable to the Goods at the place of business of the Buyer and/or the place of delivery.

2. Prices and Terms of Payment

2.1 Unless expressly agreed otherwise in each case, prices shall be ex works (Incoterms®2010) including packing.

All taxes, custom charges and duties levied on the territory of the Supplier's country shall be borne by the Supplier. All taxes, custom charges and duties levied on the territory of the Buyer's country shall be borne by the Buyer.

2.2 If the Supplier has agreed to undertake any assembly or installation or other related work, the Buyer shall bear all required incidental costs in addition to the agreed Agreement price unless otherwise agreed.

2.3 Payments shall be made free to the bank account or payment office notified by the Supplier.

2.4 The Buyer may set off only those claims that are undisputed or have been finally determined in a legally-binding manner.

2.5 Unless provided otherwise in writing between the parties, invoices of the Supplier shall be due for payment immediately and shall be settled no

later than on the 30th day counting from the date of invoice, without any cash discount or other deduction allowed. If the Buyer is in default with respect to the agreed terms of payment, he shall be liable, without reminder, to pay default interest, from the 31st day counting from the date of the invoice, at a rate exceeding by 8 percentage points the current base rate of interest issued by the European Central Bank.

3. Retention of Title

3.1 Title to the Goods shall remain with Supplier until each and every claim against the Buyer to which the Supplier is entitled under this business relationship has been duly satisfied. Upon entering into the Agreement, the Buyer authorizes the Supplier to enter or notify reservation of title in the required form in public registers, books or similar records, all in accordance with relevant national laws, and to fulfil all corresponding formalities, at Buyer's costs.

3.2 For the duration of the retention of title, the Buyer shall be prohibited from giving the Goods in pledge or as security, and resale shall be permissible only in the ordinary course of business and subject to the condition that the Buyer either receives payment from its customer or retains title so that the property is transferred to the Buyer's customer only after fulfilment of its obligation to pay.

3.3 In case of seizure of the Goods or similar acts or interventions by third parties which may result in the Supplier losing title to the Goods, the Buyer

GENERAL CONDITIONS OF SUPPLY INNOVINT AIRCRAFT INTERIOR GMBH

shall inform the Supplier immediately thereof in writing.

3.4 In cases of fundamental non-performance of contractual obligations by the Buyer, especially a delay in payment, the Supplier shall be entitled to take back the Goods. The Buyer shall be obliged to return the Goods. The taking back, the assertion of the retention of title or the seizure of the Goods by the Supplier shall not mean termination of the Agreement and restitution, unless expressly stated by the Supplier.

4. Time for Delivery and Delay

4.1 Performance of the stipulated time for delivery is subject to the timely receipt by the Supplier of all documents, necessary authorisations, approvals, permits and releases to be provided by the Buyer, or any other party or authority, as well as the satisfaction of the agreed terms of payment and other obligations by the Buyer. To the extent said conditions are not fulfilled on time, the time for delivery shall be extended accordingly and the Buyer shall reimburse the Supplier all additional cost and expense incurred due to such extension, unless the Supplier is responsible for the extension.

4.2 If non-performance of the time for delivery is due to force majeure including impediments, accidents or disturbances, which could not be avoided despite application of due care the time for delivery shall be extended accordingly. Force majeure events shall include but are not limited to mobilization, war, civil insurrection, terrorism, acts of government, non granting of required export or

import permissions, epidemics, strike, lock-out, raw material shortages, delays in supplies, lack of transportation, interruption of electricity and forces of nature.

4.3 If the Supplier is responsible for a delay in delivery, the Buyer who can prove that he suffered a loss from such delay may claim liquidated damages of 0.5 % for every completed week of delay but in no event shall the aggregate of such compensation exceed a total of 5 % of the price of those Goods which, because of the delay, could not be put to the intended use.

4.4 Any claims of the Buyer for compensation which exceed the limits specified in Clause 4.3 shall be excluded in all cases of delayed delivery. This shall also apply after expiry of a period granted to the Supplier for delivery of the Goods. Buyer shall only be entitled to terminate the Agreement for delay provided an adequate extension of time granted to the Supplier has not resulted in delivery, the limit specified in Clause 4.3 has been reached and the Supplier has not voluntarily paid liquidated damages pursuant to Clause 4.3 in excess of the aggregate limit specified in Clause 4.3 above within ten (10) business days after receipt of a notice of termination issued by Buyer.

4.5 Any further rights and remedies of the Buyer than those as per this Section 4 based on a delay, in particular Buyer's right to claim damages shall be excluded.

4.6 If dispatch or delivery is delayed at Buyer's request by more than one month after notice was

given of the readiness for dispatch by the Supplier, the Buyer may be charged storage costs for each month thereafter up to the amount of 0.5 % of the Agreement price of the Goods but in no event shall the aggregate storage charges exceed a total of 10 % of the total Agreement price.

5. Transfer of Risk

If the dispatch, the delivery, the beginning or completion of assembly or installation, the taking over of Buyer's own service or any air operations are delayed for reasons within the Buyer's responsibility, or if the Buyer has failed for other reasons to accept delivery, the risk of loss shall pass to the Buyer on the date when it would have passed but for such failure of the Buyer.

6. Assembly and Installation

Unless otherwise agreed in writing, any assembly, installation or other work or services expressly agreed to be undertaken by Supplier shall be subject to the following provisions:

6.1 The Buyer shall provide at its own expense and in a timely manner:

- a) all preliminary preparation work and other ancillary services necessary as well as the necessary suitable skilled personnel, equipment, information, authorisation, access materials and tools,
- b) any additional equipment and materials necessary for assembly and installation,

GENERAL CONDITIONS OF SUPPLY INNOVINT AIRCRAFT INTERIOR GMBH

c) any protective clothing and protective devices which are needed because of particular conditions on site,

d) all accident prevention measures necessary to protect both the Supplier as well as Suppliers personnel.

6.2 If, after completion, the Supplier requests acceptance of the Goods, it shall be carried out by the Buyer within 7 (seven) days of Supplier's request, failing which the Goods shall be deemed to have accepted. Acceptance is also deemed to have taken place if the Goods are put to use by the Buyer.

7. Taking delivery

7.1 The Buyer shall be entitled to refuse acceptance of delivery only if Goods are visibly and substantially defective, and the Buyer provides the Supplier specific written notice thereof within five (5) days of delivery of such Goods.

7.2 Upon taking delivery or receipt of shipping documents, the Buyer shall check Goods and shall notify the last carrier of:

a) any damage caused to the Goods by transport or of

b) objections regarding forwarding or transport of the Goods.

The Buyer is obliged to send a copy of the notification to the Supplier.

8. Defects Liability

The Supplier shall be liable to the Buyer for defects including the non-compliance with express warranties or the failure of the Goods to meet guarantees as follows:

8.1 The Supplier shall, upon written request of the Buyer, at its option, repair any defect or replace any Goods which turn out to be defective within the defects liability period for any defect, which is due to circumstances that existed before the transfer of risk occurred. Insofar as defective parts have to be replaced, such defective parts shall pass into ownership of the Supplier.

8.2 The defects liability period shall be twenty-four (24) months from the date the transfer of risk to the Buyer occurred or respectively completion of the respective Supply, in the event a Supply is assembled or erected by the Supplier under the Agreement.

8.3 The Buyer shall immediately inspect the Goods and shall immediately notify the Supplier in writing of any defects. If the Buyer does not notify the Supplier in writing, the Goods are deemed to have been accepted with respect to such defects.

8.4 The Buyer may withhold payments on account of defects only if the legitimacy of the asserted defects liability claim is established by the Buyer beyond reasonable doubt.

8.5 The Supplier shall be given adequate time and opportunity to remedy the defect. For this purpose, the Buyer shall grant the Supplier working access

to the non-conforming Goods including disassembly and reassembly without cost to the Supplier. Buyer shall at its expense and upon request of Supplier send the defective parts to Supplier. Cost incurred in relation with the remedy of defects in works or repair centres of the Supplier shall be at Supplier's expense. If the remedy of defects is impossible to be carried out in works or repair centres of the Supplier, cost related to such remedy of defects shall be assumed by the Buyer to the extent such cost exceed customary transport, personnel, travelling and accommodation expenses.

8.6 If an adequate extension granted to the Supplier expires without the defect being remedied, the Buyer shall have the right to a reduction of the Agreement price or, if the portion of the Goods which is not defective is of no use for the Buyer, to terminate the Agreement and obtain restitution.

8.7 The Supplier shall not be liable for defects which only insignificantly impair the use of the respective Supply, unsubstantial deviations of the Goods from the specification of the Goods, natural wear and tear or damage, arising after the transfer of risk, from faulty or negligent handling, excessive strain, use of unsuitable appurtenances, defective installation or erection not carried out by the Supplier, inappropriate foundation or particular external influences not explicitly assumed to impact on the Goods under the Agreement.

GENERAL CONDITIONS OF SUPPLY INNOVINT AIRCRAFT INTERIOR GMBH

8.8 The Supplier shall not be liable if the Buyer or a third party carries out modifications or repairs improperly.

8.9 Any further rights and remedies of the Buyer than those as per this Section 8 based on a defect, in particular any right to terminate the Agreement and obtain restitution or to claim damages, shall be excluded.

9. Industrial Property Rights and Copyright

Unless otherwise agreed upon in writing between the parties, the Supplier shall provide the Goods solely where the Buyer has its seat or registered office free from third parties' industrial property rights and copyrights (hereinafter called "Intellectual Property Rights").

9.1 In the event a third party, because of an infringement of Intellectual Property Rights by the Goods asserts legitimate claims against the Buyer, the Supplier shall be liable to the Buyer as follows:

a) Supplier shall at its own option and expense, either obtain a right to use the Goods, modify the Goods so as not to infringe the Intellectual Property Rights or replace the relevant Supply. If this is not reasonably possible for the Supplier, the Buyer shall be entitled to terminate the Agreement whereupon the Supplier shall take back the relevant Supply and refund the Agreement price for such Supply.

b) Supplier's aforesaid obligations shall exist only provided the Buyer has immediately notified the Supplier in writing of the claims asserted by the

third party, the Buyer has not acknowledged an infringement and all countermeasures and settlement negotiations are reserved to the Supplier. If the Buyer stops using the Goods to reduce the damage or for other important reasons, he shall be obliged to make it clear to the third party that the suspended use does not mean acknowledgment of an infringement of Intellectual Property Rights.

9.2 Claims of the Buyer shall be excluded if he is responsible for an infringement of Intellectual Property Rights.

9.3 Claims of the Buyer shall also be excluded if the infringement of Intellectual Property Rights was caused by specific demands of the Buyer, by a use of the Goods not foreseeable by the Supplier or by the Goods being altered by the Buyer or being used together with products not provided by the Supplier.

9.4 Further rights and remedies of the Buyer than those as per this Section 9 based on an infringement of third parties' Intellectual Property Rights; in particular the Buyer's right to claim damages, shall be excluded.

9.5 The Buyer may use the plans and drawings provided by the Supplier only for the intended purpose. The Buyer shall not be entitled to use these plans and drawings for other purposes, especially not for the reproduction of the Goods or parts of the Goods.

10. Impossibility of Performance

10.1 If it is impossible for the Supplier to supply the Goods for reasons for which the Supplier is responsible, the Buyer shall be entitled to claim damages. The Buyer's claim for damages shall be limited to 10 % of the value of that part of the Goods which, owing to the impossibility, cannot be put to the intended use. Except for the right to terminate the Agreement for the future, the Buyer shall have no additional rights, in particular neither right to rescind from the Agreement nor to reduce the remuneration nor to claim further damages.

10.2 In case applicable changes to the law or other relevant laws or requirements or regulations have a substantial impact on the Goods or their performance or considerably affect Supplier's business or in case of unforeseeable events in the context of Clause 4.2, the Agreement shall be adapted appropriately in order to account the changed circumstances, including but not limited to an increase of the total price agreed for the provision of the Goods under this Agreement as at the date of this Agreement. Where this is not commercially reasonable, the Supplier shall have the right to terminate the Agreement. Notwithstanding any other provision in this Agreement, the Supplier shall be entitled to terminate the Agreement when a force majeure event has continued for more than 180 days. Any such termination shall be without liability to the Supplier.

10.3 If the Supplier wants to make use of this right of termination, he shall notify the Buyer in writing

GENERAL CONDITIONS OF SUPPLY INNOVINT AIRCRAFT INTERIOR GMBH

immediately after becoming aware of the force majeure event. This notification requirement shall apply even where at first an extension of the time for delivery had been agreed between the Parties.

11. Further Liability

11.1 Any and all further rights and remedies of the Buyer against the Supplier for whatsoever legal reason shall be excluded. In particular, the Buyer shall not be entitled to challenge the Agreement for material error, including any challenge of the Agreement for any error related to defects of the Goods. The Buyer shall also not be entitled to claim damages; this shall refer in particular to claims for loss of production, loss of use, loss of operation time, loss of availability, loss of income, loss of profit and other direct or, any indirect or consequential damage.

11.2 The aforesaid shall not apply if liability is mandatory, e.g. in accordance with the Product Liability Act, in cases of intent, gross negligence by directors and officers of the Supplier or in the case of wilful hiding of a defect. Clause 11.2 shall also be applicable to Sections 4, 8, 9 and 10.

11.3 These limitations of liability shall also apply for the benefit of the Supplier's subcontractors, suppliers, agents, directors, officers and employees.

12. Transfer

12.1 Supplier may transfer the rights and obligations arising from the Agreement to a third party. This transfer does not become effective if the Buyer objects to aforesaid transfer within four (4) weeks of receipt of such notification. This shall be pointed out by Supplier in the notification.

12.2 As an exception, Supplier may transfer rights and obligations arising from this Agreement to any subsidiary, parent or affiliate of the Supplier without prior written consent of the Buyer.

13. Confidentiality

Any information made available to the Buyer by the Supplier in connection with this Agreement shall be treated as confidential. The Buyer shall use the information only for the purposes specified in this Agreement. This confidentiality obligation shall not apply to information which Buyer can demonstrate,

- a) is already in the public domain or becomes available to the public through no breach by Buyer of this confidentiality undertaking or
- b) was in Buyer's possession prior to receipt from Supplier without a confidentiality undertaking or
- c) has thereafter been legally obtained without confidentiality obligation from others or
- d) is independently developed by the Buyer who had no access to the information received hereunder.

The obligations set forth in this Section 13 shall survive any termination of the Agreement.

14. Termination/Suspension

14.1 A party shall be entitled to terminate this Agreement by written notice:

a) if any proceeding is instituted against the other party seeking to adjudicate such party as bankrupt or insolvent, or if the other party makes a general assignment for the benefit of its creditors, or if the receiver is appointed on account of the insolvency or the other party, and, in the case of any such proceeding instituted against the other party (but not by the other party itself), if such proceeding is not dismissed within 45 days of such filing, or

b) if the other party is insolvent or itself files a petition seeking to take advantage of any law relating to bankruptcy, insolvency, winding up or composition or readjustment of debts.

14.2 In the event any of the following occurs the Supplier may at its option suspend the provision of its obligation under this Agreement:

a) the Buyer fails to make payment of any amount within 30 days after it has become due and payable, or

b) the Buyer fails to fulfill its obligations necessary for the Supplier to deliver or complete the Goods, or

c) delivery of Goods is prevented by export restrictions for more than 180 days, or

GENERAL CONDITIONS OF SUPPLY INNOVINT AIRCRAFT INTERIOR GMBH

d) the Buyer is insolvent or any proceeding as referred to in Clause 14.1 is instituted against the Buyer.

14.3 In the event the Supplier suspends the provision of its obligations the Buyer shall pay all additional cost incurred due to such suspension to the Supplier. The Supplier shall be entitled to take back Goods and the Buyer shall be obliged to return the Goods. The taking back, the assertion of the retention of the title or of a security interest or the taking possession through legal right or process of the Goods by the Supplier shall not mean termination of the Agreement and restitution, unless expressly stated by the Supplier.

14.4 Notwithstanding any other provisions of this Agreement the Supplier may terminate a part or the whole Agreement within 30 days written notice to the Buyer in case the requirements set forth in Clause 14.2a), b) or c) are given.

15. Dispute Settlement / Applicable Law

15.1 Any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of the Federal Republic of Germany. For the avoidance of doubt, the United Nations Convention (CISG) on the International Sale of Goods shall not apply to this Agreement. The international rules for the interpretation of trade terms prepared by the International Chamber of Commerce (Incoterms) shall apply but where they conflict with this Agreement, this Agreement shall prevail.

15.2 Each party irrevocably agrees that the courts of the Federal Republic of Germany shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this or its subject matter or formation.

15.3 Each party irrevocably consents to any process in any legal action or proceedings under Clause 15.1 above being served on it in accordance with the provisions of this Agreement relating to service of notices. Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by law.

15.4 Nothing in this Clause 15 shall limit the right of the Supplier to take proceedings against the Customer in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdiction preclude the Supplier from taking proceedings in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

16. Miscellaneous

16.1 Any errors, omissions or contradictions in the Agreement are to be treated and construed in accordance with a spirit of cooperation and goodwill as between the parties hereto and in the event of any one or more provisions of the Agreement being or becoming invalid the parties shall agree on a replacement provision in each case which most-closely reflects the originally-intended commercial result of the original provision or provisions.