

General Terms and Conditions of Sale and Delivery

1. General

The conditions below shall apply to all transactions between the Buyer and ADS Aerospace Ltd (in the following called ADS) unless a duly signed contract or other written agreement is agreed upon with regard to one or more of the below-mentioned sales and delivery conditions or the supply of goods and services to ADS.

2. Orders

The Buyer's purchase order shall specify the product identification code, requested quantities, requested shipping date(s), and delivery instructions, including delivery address but any additional Terms and Conditions shall not be binding upon ADS. No terms or conditions (whether contained in the Buyers Official Purchase Order or otherwise) shall be binding on ADS other than those set out herein, unless expressly agreed otherwise by ADS in writing. No later than 14 days from ADS' receipt of each order, ADS shall issue to the Buyer an order confirmation specifying the products to be delivered, the price thereof and the estimated time of delivery. The terms of the order confirmation shall then be considered as agreed between the parties, unless the Buyer objects thereto in writing within 5 days of his receipt of the order confirmation.

3. Prices, Payment Terms, Delivery Terms

Prices of products and terms of payment and delivery shall be set out on the quotation. All prices are ex works (EXW in accordance with INCOTERMS 2000) from ADS' Office (Southampton, United Kingdom) and exclude VAT, Import Duties, Taxes, and ADS' charges for transport and insurance.

Standard payment for products shall be prior to shipment. ADS may require more stringent terms for any sale/purchase, if ADS at its discretion find reasons therefore. If the Buyer has to effect payment in advance to ADS, payment must be received prior to shipment from ADS.

Payment for Services shall be made upon receipt of invoice, and in no circumstances shall the Buyer be entitled to make any deduction or withhold payment for any reason at all.

The Buyer shall pay ADS on or before the due date. In case of late payment of any amount payable by the Buyer to ADS under this agreement, interest shall accrue on late payments at a default interest rate of 1.5 % (one and a half percentage) per month, calculated as from the due date. ADS reserves the right to adjust the default interest rate in conformity with any changes in the official Barclays Bank deposit rate. ADS retains full title to all Goods supplied to the Buyer until full payment therefore has been received by ADS.

ADS shall not be liable to the Buyer for any refunding of VAT if the Buyer fails to notify ADS of its VAT registration number as required in accordance with EU rules and legislation.

The Buyer is responsible for any importation, licence, or local certification requirements.

4. Cancellation

No cancellation, suspension or variation by Buyer of an order shall be valid unless agreed by ADS in writing. Such agreement shall be entirely at ADS's discretion.

5. Delay in Delivery

Unless ADS has separately in writing undertaken an express guarantee (using the word "guarantee") of delivery at a certain time, ADS shall not be liable for any delay in delivery. However, if there is a delay in delivery of more than 4 weeks from the estimated time of delivery according to the order confirmation, ADS shall inform the Buyer hereof in writing by issuing a revised order confirmation. The revised order confirmation shall then constitute the revised agreement between the parties concerning the delivery in question, unless – within 5 days of his receipt of the revised order confirmation – the Buyer cancels the order for the delayed products. The Buyer shall (in the absence of any expressed guarantee as stated above) have no other right or remedy against ADS for delay in delivery than this cancellation right.

6. Title

ADS retains title to all products supplied to the Buyer until full payment therefore has been received by ADS.

7. Limited Warranty

ADS warrants that each of the products has been manufactured in accordance with the specifications set forth in the ADS data sheet for such product, has been carefully manufactured and tested or inspected and has left ADS in good operating condition. The warranty shall extend for a period of 24 months from the date of Thrane & Thrane's shipment of the Product to the Buyer. Any warranty claim shall be made in writing by the Buyer and shall - together with the defective product - be received by ADS (or any service centre as directed by ADS) before expiration of the warranty period in order for the warranty to apply. The warranty claim shall include such details on the alleged defect and the product as are necessary for ADS to assess the basis and correctness of the claim and such other information as ADS may from time to time reasonably request in the ADS warranty claims procedure. In case of any breach of the warranty granted, ADS shall be obliged to either - at ADS's discretion - repair, replace or reimburse the Buyer's purchase price of the defective product within reasonable time of the Buyer's return of the product to ADS (or any service centre as directed by ADS). All costs incurred by the Buyer and related to the defective product shall be for the Buyer's account and risk, including but not

limited to any costs related to the original installation or subsequent dismantling and removal of the product and renewed installation of a repaired or replacement product at the Buyer's customer and any costs related to the shipment of the defective product to ADS. Standard costs related to return shipment from ADS to the Buyer of the defective Product upon repair or of a replacement Product shall be borne by ADS, provided that the repair or replacement is covered by the warranty. If repair is not covered by the warranty, the Buyer shall pay return shipment costs as well as repair costs (time and material used) as reasonably set from time to time by ADS (a minimum of 2 hours work is invoiced according to the prevailing rules at the entering into of this agreement). Repair or replacement of a defective Product shall not extend the warranty period as applying to the defective Product. However, a minimum repair warranty of 6 months shall always apply to a replaced or repaired Product from the date of shipment.

The warranty as stated above shall be the only warranty granted by ADS to the Buyer, to the exclusion of any other express or implied warranty (as e.g. any warranty of merchantability, workmanship or fitness for a particular purpose). The Buyer shall have no other right or remedy against ADS related to defective products than as stated above. Without prejudice to the limitation of warranty as aforementioned, the ADS warranty does not apply to any product on which the serial no. label is missing or unreadable or any defect which was directly or indirectly caused by:

- Buyer's or any third party's attempt to repair the product;
- Improper installation;
- Use outside the specification limits;
- Improper use, handling or care or accidents;
- Damages caused by lightning, overload or short circuit
- Liquids or trace of liquids or condensation inside the product

ADS shall have the right to discontinue supplying any product at any time.

8. WEEE treatment in EU

The obligations for treatment of waste from electrical and electronic equipment (WEEE) according to the EU directive 2002/96/EC and as amended will be the responsibility of the Buyer.

9. Force Majeure

Neither party shall be deemed to be in default when performance of the obligations of such party is prevented or made unreasonably burdensome due to any cause which was beyond the reasonable control of such party and which such party could not reasonably be expected to have foreseen, avoided or overcome, including but not limited to any event attributable to Acts of God, embargoes, unavailability of raw materials, power, water or the utilities necessary to operate the facilities of a party, war or acts of war, terrorism, general strikes and lock-outs and other similar events affecting the activities of a party, provided however that the party suffering force majeure as soon as possible informs the other party thereof giving details of the force majeure cause and its expected duration and implication for the performance of this agreement.

10. Limitation of liability

Neither party shall be liable in damages or compensation to the other party for indirect or consequential damages.

11. Venue and Governing Law

Any dispute arising out of or in conjunction with these Terms and Conditions of Sale or a contract between the buyer and ADS Aerospace, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the Rules of the LCIA, which Rules are deemed to be incorporated by reference to this clause. The number of Arbitrators shall be three. The seat, or legal place, of arbitration shall be, London, England. The language to be used in the arbitration shall be English. The governing law of contract shall be the substantive law of England.

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