



General Terms and Conditions of Q.C.M.

1. SCOPE OF APPLICATION

- 1.1. QCM provides Services including management and design within the aviation industry and supplies Products to its Clients from time to time. These Conditions apply to all provision of Services and the delivery of Products of QCM, and to all of its Contracts, including any form of offers, acceptances or agreements, whether or not reference to these Conditions is made. The individual terms of the Contract always prevail over these Conditions in case of a conflict. Any changes to these Conditions are only valid in writing and upon signature of QCM.
- 1.2. Each Contract is also governed by the currently applicable mandatory industry standards, in particular Directives of the European Union, rules of the European Aviation Safety Agency (EASA), or rules of a National Aviation Authority (i.e., FOCA). In case of conflict, mandatory industry standards always prevail over the Contract and these Conditions.

2. CONTRACT FORMATION

- 2.1. QCM and the Client may enter into a Contract by means of mail exchange. Each Order addressed to QCM by the Client must include a specification of the required Services or Products to be delivered and their fee or price. The current pricelist of QCM applies unless agreed otherwise in writing. Each Order is deemed to include Client's consent to these Conditions. QCM is under no obligation to confirm any Order; in particular, QCM reserves the right to reject any Order which does not comply with these Conditions. The Contract is created upon delivery of the Confirmation to the Client, in any case at the latest upon delivery of the Products or provision of the Services to the Client. Orders are binding on the Client for a minimum of 10 days from the date of receipt.
- 2.2. In case of a Proposal to the Client by QCM, the acceptance of the Proposal must be in writing and unconditional and includes the consent to these Conditions. Any terms or conditions of the Client or other changes added to the Proposal renders the acceptance invalid. Any changes to the Proposal must be reflected in a new Order and/or Proposal.
- 2.3. QCM and the Client may select to enter into a separate written Contract with QCM concluded for specific Services or Products. In such case the Contract is created upon the signing by both Parties of such individual agreement.
- 2.4. No quotations, indicative offers, advertising materials, website content, catalogues or similar documents are binding on QCM. Any verbal communication between the parties is only valid if implemented in writing.
- 2.5. The Contract is concluded for the duration specified in the Contract.

3. FULFILLMENT OF CONTRACT

- 3.1. QCM is entitled to fulfil any Contract by means of both internal and external specialists and experts. Established procedures of QCM apply to its Services.
- 3.2. The Products and/or Services must meet the requirements of foreign laws only if this was explicitly agreed in writing. The preceding sentence does not apply to quality assurance inspections, which must always meet requirements of the stated countries of registration. QCM has no obligation to inform the Client of any changes in the law or regulations or about their consequences that came into effect after the expiration of the Contract.
- 3.3. The Client shall provide on time and without special notification by QCM all correct and accurate files, materials and information needed for proper fulfilment of the Contract. The Client shall further inform QCM of all relevant facts and conditions necessary for the Contract's timely and accurate fulfilment, before and during QCM's activity. At QCM's request, the Client shall confirm the completeness of the given files, materials, information and declarations. QCM bears no responsibility for results based on incorrectness, inaccuracy or incompleteness of the provided information.
- 3.4. The place and specific conditions of delivery shall be specified in the Contract. In case no specification is made the place of fulfilment is the seat of QCM in Belp, Switzerland.
- 3.5. The Client shall accept the delivered Products and/or provided Services within the time period agreed in the Contract. If the Contract does not specify a delivery day or days, the delivery day is or commences on the day notified by QCM with at least a three (3)-day notice. In the event the Client is in delay in accepting the delivered Products and/or provided Services, QCM is entitled to stop the provision of Services or the delivery of Products, and the Client shall compensate QCM for all costs and damage arising out of such delay. In case QCM was prepared to provide Services to the Client at the agreed time and date but could not do so due to circumstances caused by the Client and without advance notice by the Client, the Client shall compensate QCM as if the Services had been performed at the agreed time and place. In case the Client does not attend an agreed consulting or training, the Client has no right towards QCM for the consulting or training to be provided at a later time and shall remunerate QCM as if the consulting and training had been performed at the agreed time and place.
- 3.6. The agreed term of delivery for Services or Products may be extended in the event of unforeseeable and insurmountable obstacles, in accordance with the terms and conditions of the Swiss Code of Obligations. This also includes holdups in supply for which QCM is not responsible, such as operational malfunctions, lack of freight space, lack of raw materials, mechanical



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breakdowns, or any other events which cannot be foreseen, prevented and controlled, including quarantines and other insurmountable obstacles caused by an epidemic. If any such circumstances cause a delay in delivery of Products or provision of Services lasting more than eight (8) weeks, each Party is entitled to rescind the Contract.

3.7. QCM is entitled to rescind the Contract without unnecessary delay if the Client is in default with its duties, in particular duties under Article 4. QCM's rights to damages and compensation for additional expenditures caused by a breach of the Client's duties under this Contract remain intact regardless of **whether QCM** rescinded the Contract or not.

3.8. Any release of profession-related statements by QCM's personnel (reports, certificates, etc.) to a third party based on the request of the Client requires the written confirmation and approval of QCM's statutory body or CEO. The responsibility of QCM against third parties is excluded.

3.9. In the event of an early termination of the Contract by the Client without reason or without valid reason QCM may enforce the Contract according to the terms and conditions of the Swiss Code of Obligations or may agree to the termination. In case of an agreement to the termination QCM is entitled to charge all outstanding Services and Products already delivered and is further entitled to 65% of the open, not yet executed Contract value.

3.10. In the event of an early rescission of the Contract with a valid reason by the Client, QCM is entitled to charge all Services and Products already provided to the Client up to the date of termination.

4. PRICES AND PAYMENT

4.1. The Client shall pay the price for Services and/or Products in full to QCM, in accordance with the Contract and defined payment terms and conditions. If no terms are agreed, all invoices by QCM are due within 7 days upon receipt. Sales tax and value added tax is charged separately. QCM has the right to rescind the Contract until the Products are delivered or Services are provided to the Client in the event the costs of the inputs or other production costs demonstrably exceed the price agreed in the Contract. For the avoidance of doubt, such rescission does not affect partial performance already provided. Additional work required due to circumstances outside of QCM's control like government or regulatory requirements will be charged according to the amount work performed and, unless agreed otherwise, according to the QCM corresponding price list.

4.2. QCM is entitled to receive appropriate or agreed payments in advance. QCM is entitled to withhold the provision of Services and/or delivery of Products until the receipt of such payments.

4.3. In the case of partial or subsequent deliveries of Products or Services, QCM is entitled to issue partial invoices. Article 4.2 also applies in this case.

4.4. If the Client exceeds the agreed payment term by more than seven (7) days, QCM is entitled to charge interest at 5% p.a., together with collection charges. QCM is also entitled to suspend further performance and/or to rescind the Contract as well as other unfulfilled Contracts if the Client has exceeded the agreed payment term under the Contract by fifteen (15) days or more.

4.5. When payments are made, the Client bears any incidental expenses involved, such as redemption expenses on shipping documents, bank and transfer charges, default or collection costs and shall reimburse QCM without undue delay.

4.6. QCM is entitled to receive reimbursement of all necessary Travel Costs, Travel Surpluses, Accommodation Costs and similar expenses.

4.7. The Client is not entitled to set off any of its receivables against the receivables of QCM. Any form of compensation or counterclaim against QCM is excluded and will only be accepted based on a written agreement by QCM.

5. TRANSFER OF TITLE AND RISK OF LOSS IN CASE OF DELIVERY OF PRODUCTS

5.1. The risk of loss of delivered Products passes to the Client upon the delivery of the Products to the Client in accordance with Article 3.5.

5.2. The ownership title to the Products passes to the Client on the day the price of the Products as agreed in the Contract is credited to the bank account of QCM in full, and the Client has duly reimbursed QCM for all expenses under Article 4, however, not earlier than on the date of delivery of the Products to the Client in accordance with Article 3.5.

5.3. The Client shall take out insurance covering loss of the Products for the time period between the transfer to the Client of the risk of loss of such Products and transfer to the Client of the ownership title to such Products.

5.4. As long as the ownership title to the Products remains with QCM, the Client is not entitled to sell the Products to any third parties, allow a third party to dispose of the Products in any way, create any encumbrance over the Products or mix, process or blend the Products. In addition, the Client shall mark the Products so as to be clearly distinguishable as being owned by QCM. QCM is entitled, upon reasonable notice, to inspect the premises where the Products owned by QCM are stored and to perform an audit of these Products.



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- 5.5.** Should QCM rescind the Contract on the grounds of default by the Client in payment of the agreed price in accordance with Article 4, QCM has the right to repossess the Products delivered to the Client under the Contract, and the Client shall provide all necessary cooperation in such respect.

6. INDEPENDENCE OF STAFF MEMBERS

- 6.1.** The Client is obliged to guarantee the independent status of QCM's staff members and staff members of its affiliates. This independent status must not be violated, in particular by employing or offering job positions or providing other benefits to staff members of QCM being staff members at any time during the Contract duration. QCM has the right to a contractual penalty of 40% of the gross annual salary or other annual remuneration of any staff member who becomes employed by the Client in breach of this Article during the term of any Contract and for one (1) year thereafter; the right of QCM to damages remains unaffected.

7. INTELLECTUAL PROPERTY

- 7.1.** Intellectual Property rights acquired by either Party before or outside the scope of the Contract are solely vested in the respective Party. Neither Party is entitled to use or otherwise exploit rights of the other Party related exclusively to such other Party's Intellectual Property.
- 7.2.** QCM hereby grants to the Client a non-exclusive worldwide license to use the Intellectual Property included or embodied in any Product or results of any Service provided by QCM to the Client based on any Contract to the extent, in the scope and volume required to enable the Client to use such Product or result of Service in accordance with the purpose for which it was provided under the Contract but not for further resale. The license is provided at no additional charge, shall last for the entire duration of respective Intellectual Property rights and shall terminate only in the event of material breach by the Client of the terms of this license or the terms of the Contract. The Client shall not sub-license or transfer the license to a third party and shall not allow any third party access to the materials or documents in which the respective Intellectual Property is embodied without prior written authorization of QCM.
- 7.3.** QCM has the exclusive right to use the Client's Intellectual Property that is embodied or otherwise included in any documents or materials provided by the Client to QCM in connection with any Contract, in accordance with the purpose for which they were provided. Furthermore, the Client guarantees to QCM that no such documents or materials infringe third-party Intellectual Property rights.
- 7.4.** Notwithstanding the above, QCM at all times retains the rights to use general ideas, knowledge, methods or concepts developed in the performance of the Contract, regardless of whether they are patentable or

protectable by any other forms of Intellectual Property rights, in other situations or for other clients.

8. PERSONAL DATA

- 8.1.** In order to provide Services ordered by the Client and perform other duties arising from the Contract, QCM is entitled to process Personal Data of the Client's representatives/employees and other persons assigned by the Client. More information about the processing of Personal Data by QCM is available at: <https://www.QCM.ch/privacy-policy/>. The Client hereby undertakes to inform all persons acting on its behalf about the processing of their Personal Data by QCM.

9. CONFIDENTIALITY

- 9.1.** Each Party shall protect Confidential Information and refrain from making it available to third parties or from using it in contradiction with the purpose for which it was provided without having obtained prior written permission of the other Party.
- 9.2.** Each Party shall comply with the obligations resulting from this confidentiality clause for the duration of the respective Contract and for five (5) years from its termination, provided that the Confidential Information does not fall into the public domain without any Party breaching this confidentiality obligation. No confidentiality obligation applies if disclosure of the Confidential Information is required by mandatory provisions of applicable law or by a court or other public authority in accordance with such applicable law.
- 9.3.** At the written request of one Party, the other Party undertakes either to return to the requesting Party any document containing the Confidential Information or to destroy it and provide a certificate of destruction, to the extent permitted under applicable law. In any event, no copies of these documents may be kept, except as otherwise provided by applicable law.
- 9.4.** The Client shall not make reference to its business and legal relationship with QCM on its website or in its advertising materials unless agreed by QCM in writing.
- 9.5.** In accordance with legal regulations, QCM shall keep confidential all information received from the Client or from third parties determined by the Client during the activity of QCM unless the Client releases QCM from this duty. Exceptions following from legal regulations remain intact; QCM is only entitled to deliver written Products to third parties based on a written agreement of the Client unless it is stated otherwise.



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10. DEFECTS

- 10.1.** QCM ensures compliance with the Contract. In the event the Client finds a Defect, the Client may claim remedy from QCM in accordance with this Article 10. This remedy is the only remedy available to the Client as a result of the Defect, and any other remedies (including damages) are hereby excluded.
- 10.2.** Services: The Client informs QCM without delay, but not later than 15 days after the performance of the Services in writing about any claims and Defects connected with Services of QCM, indicating that a Service was not performed, or the Services did not comply with the terms of the Contract. If QCM accepts the claim, QCM shall have the choice to correct the Defect of the Service, to provide the Service again, or to provide an adequate refund to the Client. An additional compensation can only be claimed by the Client if the Defect has not been corrected within a reasonable time frame or the claimed missing Service has not been performed.
- 10.3.** Products: The Client shall inspect the Products immediately upon delivery. Any apparent Defects must be reported without any delay and supplemented within fifteen (15) days from such delivery/performance in writing, with sufficient documentary evidence attached in support. If the Client does not report to QCM the apparent Defect within this time period, no claims can be made or enforced in a relevant court by the Client on the basis of such apparent Defect.
- 10.4.** The Client shall report any hidden Defects of Products / Services to QCM in writing immediately upon discovery but in any case not later than six (6) months after delivery of the Products. In such case, the Client bears the burden of proof that the hidden Defect existed at the time of delivery of Products / performance of Services. If the Client does not report the hidden Defect to QCM in writing within the above time period, no claims can be made or enforced in the relevant court by the Client on the basis of such hidden Defect.
- 10.5.** In the event a Defect of a Product is reported, QCM will be given the opportunity to examine the Product in question, or have them examined by a third party, and the Client shall provide the necessary co-operation in order to facilitate such examination.
- 10.6.** No potential liability for a Defect may lead to a withholding of payments or a withdrawal from the Contract unless QCM refused to remedy the Defect according to this Article 10. The Client can rescind the Contract only if, due to a failed elimination of the Defect, the Client has no further interest in the Services provided or Products delivered by QCM.
- 10.7.** Recommendations of QCM concerning delivered Products (such as user manuals) must be read and observed by the Client. QCM is not liable for Defects that occurred as a result of the failure to follow such recommendations.

- 10.8.** Application, use and processing of Products are entirely the responsibility of the Client, as are tests carried out on the Product regarding its suitability for the intended processes and purposes, having due regard for the status of the technology and current status of our processing recommendations.
- 10.9.** QCM is entitled to correct at any time any obvious errors, such as writing mistakes or calculation errors or typos in its written delivered Products (reports, certificates, etc.) towards the Client as well as towards third parties.
- 10.10.** The remedies in this Article 10 are the only remedies available to the Client as a result of Defects; no other claims are permitted.

11. LIABILITY FOR DAMAGE

- 11.1.** The liability of QCM for a Defect or a breach of any Contractual or statutory provisions in connection with the Contract is limited to direct damage caused intentionally or through gross negligence. The burden of proof lies with the Client. Liability for lost profits and for non-monetary damage is excluded. In any case, QCM's liability, as a single or joint debtor, for breach of any Contractual or statutory provisions in connection with the Contract is limited to CHF 2,000,000.00 per Damage Case, be it towards the Client or third parties. In case of liability towards more parties, the maximum amount of liability is split between these parties according to the respective shares of incurred damage.
- 11.2.** Should any Products or Services of QCM require the approval by a competent authority, the Services and Products of QCM must be used by the Client only upon such approval. In case of use by the Client without such approval, QCM shall be indemnified by the Client for any liabilities, damages, losses or penalties of either the Client or QCM.
- 11.3.** Any claim for damage can only be made within twelve (12) months after the delivery of Products or the provision of Services. The claim expires if no legal action is filed within six (6) months after the written refusal of damage compensation.

12. MISCELLANEOUS

- 12.1.** By signing these Conditions and / or by concluding the Contract the Client confirms that it acquainted itself with these Conditions and it is an entrepreneur acting within the scope of its trade and / or profession.
- 12.2.** No third-party rights or obligations are established by any Contract, and the performance of obligations under the Contract do not serve the interests of any persons/entities other than the Parties, unless it is expressly stated otherwise.
- 12.3.** These Conditions and any Contract may only be cancelled or amended in writing.



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- 12.4. Should any provision of the Contract (including any provision of these Conditions) be invalid, or unenforceable, such invalid or unenforceable provision does not affect other provisions as long as they can be reasonably separated from the invalid or unenforceable provisions. The Parties shall, without undue delay, replace the invalid or unenforceable provision with a valid and enforceable one that comes as close as possible to the original commercial intention of the invalid or unenforceable provision, by way of an amendment to the Contract (including an amendment to these Conditions, if necessary).
- 12.5. These Conditions as well as all Contracts concluded on their basis are governed by Swiss law. The UN Convention on Contracts for the International Sale of Goods does not apply.
- 12.6. Any dispute, controversy or claim arising out of, or in relation to, any Contract, including the validity, invalidity, breach, or termination thereof, shall be resolved by the competent courts in Bern, Switzerland with the following exception. In case the Client has its registered seat outside the geographic borders of Europe, the dispute, controversy or claim shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Arbitration Centre in force on the date on which the Notice of Arbitration is submitted in accordance with those Rules. The seat of the Arbitration Tribunal shall be Bern, Switzerland, and the language of the arbitration shall be English.
- 12.7. These Conditions are made in English. If they are translated into any other language, such translation is unofficial, and the English language version prevails in the event of any discrepancies.

13. DEFINITIONS AND INTERPRETATION

- 13.1. In these Conditions, the capitalized terms have the following meanings:

"Accommodation Costs" means the actually incurred costs for accommodation and food of the designated members of the staff delivering the Products and/or providing Services under the Contract that will be charged to the Client if the work is performed outside of Belp, Switzerland and/or Vienna and/or Prague according to the convenience of QCM. All accommodation costs will be charged based on relevant receipts or invoices.

"Conditions" means these General Terms and Conditions.

"Confidential Information" means information, data or facts related to a Party that the other Party learned about in connection with negotiations for the conclusion of any Contract or with the performance provided under that Contract, regardless of the form of expression or the method of acquisition, unless such information is publicly available.

"Confirmation" means the written communication of QCM to the Client confirming the Order.

"Contract" means the binding agreement concluded between QCM and the Client for delivery of the Products and/or Services by QCM to the Client, either on the basis of an Order and Confirmation, or on the basis of a Proposal and its acceptance, or by way of an individual agreement concluded and signed by both Parties. A Contract always includes these Conditions regardless of whether these Conditions are directly attached thereto or not.

"Client" means the person or entity with whom QCM concludes a Contract as long as QCM is the Party providing the performance.

"Damage Case" means the sum of all claims of damage of all entitled parties that can be derived from one and the same Defect or professional mistake, performed by a single person or several persons, without regard to whether the damage was generated in one event or within several events.

"Defect" means non-conformity of a Product (at the time of delivery) and/or Service (at the time of performance) with the Contract.

"Intellectual Property" means all inventions, whether or not patented or patentable, all commercial and technical information, whether or not constituting trade secrets, and all copyrightable and non-copyrightable works, designs, industrial designs, utility models, mask works, trademarks or service marks, whether or not registered or registrable, including but not limited to all concepts, ideas, discoveries, methods, derivative works, processes, techniques, devices, machines, mechanisms, manufactures or compositions of matter, improvements, modifications, Confidential Information, formulae, data, compilations, drawings, plans, writings, reports, results, descriptions, specifications, procedures, notes, recordings, images, videos, algorithms, flow charts, computer programs, drawings, blueprints, technology, data, works of authorship, software, protocols, program codes, audio-visual effects, documentation, designs, ornamentations, mask works, models, prototypes and other tangible items such as material, samples, components, board assemblies, equipment, etc., and including all applications and granted registrations in any part of the world for Intellectual Property Rights arising from any of the foregoing.

"Order" means the written communication of the Client to QCM ordering the Products and/or Services from QCM.

"Party" means the Client or QCM, as the case may be.

"Personal Data" means any information relating to an identified or identifiable natural person; an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.



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"Products" mean material goods, equipment or specified and ordered material work products sold and delivered by QCM to the Client or delivered and installed by QCM at the aviation equipment of the Client typically, without limitation, under a sales or work agreement. The term "Product" excludes any Services provided and also excludes the design work of goods and equipment unless such design is part of a work agreement.

"Proposal" means all documents submitted by QCM to the Client when intending to conclude a Contract.

"QCM" means the following companies within the Q.C.M. holding AG corporate family, Q.C.M. Quality control management AG, Q.C.M. camoplus AG, or Q.C.M. design GmbH.

"Services" means services to be delivered by QCM to the Client. QCM Group primarily provides Services to the Client that are, without limitation, in the form of training, consulting, management of aircraft, maintenance of aircraft, maintenance advice, airworthiness management, or certification of changes to aircraft.

"Travel Costs" means the costs of travelling by plane, train or car which are calculated to/from Bern and/or Vienna and/or Prague and/or Lodz and/or Budapest according to the convenience of QCM, whereas flights with a planned duration of more than five (5) hours will be booked in business class; all train tickets will be booked in first class. All Travel Costs will be charged to the Client based on relevant receipts or invoices except for travel in accordance to the applicable and latest quotation.

"Travel Surplus" means a rate which is defined in the relevant quotation and is charged, in addition to the standard labour rate, for work performed outside of any QCM office. Travel time will be charged according to the applicable Contract.

- 13.2. Reference to an **"Article"** means the Article of these Conditions, unless expressly stipulated otherwise.
- 13.3. Reference to **"in writing"** includes fax and email, provided that the fax or email bears the name of the sender.