

**General Conditions of Purchase for Goods and Services**

„Kaman Specialty Bearings & Engineered Products“

Kaman Group – Germany 2019

**§ 1 General, scope of application**

1. These General Conditions of Purchase for Goods and Services (hereinafter referred to as GPC) are conditions of the German group companies of Kaman Corporation, which are only intended for use between companies. The GPC apply in particular to contracts for the purchase of movable goods ("Goods"), irrespective of whether the seller manufactures the goods himself or purchases them from suppliers (§§ 433, 651 BGB).
2. These GPC shall be supplemented by special conditions if applicable, insofar as these are expressly referred to in our order. Such special conditions shall take precedence insofar as they contradict these GPC with regard to content.
3. These GPC shall apply exclusively; we shall not recognize conflicting or deviating terms and conditions of the customer unless we have expressly agreed to their validity in writing. In particular, the GPC shall also apply if we accept or accept goods without objection despite being aware of the Seller's terms and conditions which conflict with or deviate from these GPC.

**§ 2 Conclusion of contract**

1. Our order shall be deemed binding at the earliest upon written submission or confirmation. The Seller shall notify us of obvious errors (e.g. spelling and calculation errors) and incompleteness of the order including the order documents for the purpose of correction or completion prior to acceptance; otherwise, the contract shall be deemed not to have been concluded.
2. The Seller is obliged to confirm our order in writing within a period of 3 days or, in particular, to execute it unconditionally by dispatching the goods (acceptance). Late acceptance shall be deemed a new offer and shall require acceptance by us.

**§ 3 Delivery & Performance**

1. The delivery or service date stated in the order is binding.
2. Deliveries shall be made in accordance with DAP (Incoterms 2010) to the place of destination specified in the order, unless otherwise agreed between the Seller and us.
3. Each Delivery shall be made in packaging tailored to requirements. The return of the packaging is subject to the conclusion of special agreements.
4. The Seller shall not be entitled without our prior written consent to have the deliveries or services owed by him performed by third parties (e.g. subcontractors). The Seller shall bear the procurement risk for his goods and services unless otherwise agreed in individual cases (e.g. limitation to stock).
5. The Seller is obliged to state our order number on all shipping documents and delivery notes; if he fails to do so, we shall not be responsible for delays in processing.

6. The Seller is obliged to inform us immediately in writing if circumstances arise or become apparent to him from which it becomes apparent that the agreed delivery or performance time cannot be met. The agreed delivery or performance time shall not be extended by this information.
7. In the event of a delay in delivery, we shall be entitled to the statutory claims. If we demand damages, the seller has the right to prove that he is not responsible for the breach of duty.
8. If the Seller exceeds the delivery date, we shall be entitled to demand liquidated damages from the Seller after the delivery date has been exceeded. These shall amount to 0.5% per working day, but not more than a total of 5% of the total net remuneration. We shall be entitled to claim the lump-sum compensation up to the time of the final payment, even if we have not expressly reserved the right to do so when accepting the delayed delivery. Further claims against the Seller due to exceeding the delivery date remain unaffected.
9. Premature deliveries or partial deliveries may only be made with our prior written consent.
10. The risk of accidental loss and accidental deterioration of the goods shall pass to us upon handover at the place of performance. If acceptance has been agreed, this shall be decisive for the transfer of risk. In all other respects, the statutory provisions of the law governing contracts for work and services shall also apply mutatis mutandis in the event of acceptance. It shall be deemed equivalent to handover or acceptance, if we are in default of acceptance.

**§ 4 Prices and terms of payment**

1. The price stated in the order is binding. All prices are inclusive of statutory value-added tax, unless this is shown separately.
2. Unless otherwise agreed in individual cases, the prices shall include all services and ancillary services of the Seller (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, transport costs including any transport and liability insurance). This also applies to documentation and operating instructions required for the intended use of the goods.
3. The agreed price is due for payment within 30 calendar days of complete delivery and performance (including any agreed acceptance) and receipt of a proper invoice. If we make payment within 14 calendar days, the Seller shall grant us a discount of 3% on the net amount of the invoice. In the case of bank transfers, payment shall be deemed to have been made on time if our transfer order is received by our bank before expiry of the payment deadline; we shall not be responsible for delays caused by the banks involved in the payment process.
4. We do not owe any interest on the due date. The statutory provisions shall apply to default in payment.
5. Set-off rights and rights of retention as well as the plea of non-performance of the contract shall accrue to us to the extent permitted by law. In particular, we are entitled to withhold due payments as long as we are still entitled to claims from incomplete or defective services against the Seller.
6. The Seller has a right of set-off or retention only because of legally established or undisputed counterclaims.

## § 5 Defective deliveries

1. Our rights in the event of material defects and defects of title of the goods (including incorrect and short delivery as well as improper assembly, defective assembly, operating or operating instructions) and in the event of other breaches of duty by the Seller shall be governed by the statutory provisions unless otherwise provided below.
2. In accordance with the statutory provisions, the Seller shall be liable in particular for ensuring that the goods have the agreed quality when the risk passes to us. Any product descriptions which - in particular by designation or reference in our order - are the subject matter of the respective contract or which have been included in the contract in the same way as these GPC shall in any case be deemed to be an agreement on the quality of the goods or services. It makes no difference whether the product description originates from the Seller, the manufacturer or us.
3. In deviation from § 442 para. 1 sentence 2 of the German Civil Code, we shall also be entitled to assert claims for defects without restriction if the defect remained unknown to us at the time of conclusion of the contract due to gross negligence.
4. The statutory provisions (§§ 377, 381 HGB) shall apply to our obligation to inspect and give notice of defects with the following proviso, unless we have made deviating agreements with the Seller: Our obligation to inspect shall be limited to defects which become apparent during our incoming goods inspection under external inspection including the delivery documents (e.g. transport damage, wrong and short delivery) or which are identifiable during our quality inspection by random sampling. If acceptance has been agreed, there shall be no obligation to inspect.
1. In all other respects, it shall depend on the extent to which an inspection is feasible in the ordinary course of business, taking into account the circumstances of the individual case. Our obligation to give notice of defects discovered later shall remain unaffected. Irrespective of our obligation to inspect, our complaint (notice of defects) shall in any case be deemed immediate and timely if it is sent within 10 working days of discovery or, in the case of obvious defects, of delivery.
5. Remedy through subsequent performance shall also include the removal of the defective goods and their reinstallation, insofar as the goods have been installed in another item or attached to another item in accordance with their nature and purpose of use, our statutory claim to reimbursement of corresponding expenses shall remain unaffected. The Seller shall bear the expenses necessary for the purpose of inspection and subsequent performance even if it turns out that no defect actually existed. Our liability for damages in the event of an unjustified demand for the removal of defects shall remain unaffected; in this respect, however, we shall only be liable if we have recognized or grossly negligently failed to recognize that no defect existed.
6. Notwithstanding our statutory rights and the provisions in paragraph 5, the following shall apply: If the Seller does not fulfil his obligation to subsequent performance - at our option by remedying the defect (rectification) or by delivering a defect-free item (replacement delivery) - within a reasonable period set by us, we shall be entitled to remedy the defect ourselves and demand reimbursement from the Seller of the expenses required for this or an appropriate advance payment. If the subsequent performance by the Seller has failed or is unreasonable for us (e.g. due to particular urgency, endangerment of operational safety or

imminent occurrence of disproportionate damage), no deadlines shall be set; we shall inform the Seller of such circumstances immediately, if possible in advance.

7. In addition, we shall be entitled to reduce the purchase price or withdraw from the contract in the event of a material defect or defect of title in accordance with the statutory provisions. In addition, we shall be entitled to claim damages and reimbursement of expenses in accordance with the statutory provisions.

## § 6 Producer's liability

1. If the Seller is responsible for product damage, he shall indemnify us against claims by third parties to the extent that the cause lies within his sphere of control and organization and he himself is liable externally.
2. Within the scope of his obligation to indemnify, the Seller shall reimburse expenses in accordance with §§ 683, 670 BGB (German Civil Code) which arise from or in connection with claims asserted against third parties, including recall actions carried out by us. We shall inform the Seller - as far as possible and reasonable - of the content and scope of recall measures and give him the opportunity to comment. Further legal claims remain unaffected.
3. The Seller shall take out and maintain product liability insurance with a coverage of at least EUR 10.0 million per personal injury/property damage and provide us with evidence of the conclusion by presenting us with a certificate from the insurer.

## § 7 Documents / Supplies

1. If drawings, plans, evaluations, databases or other documents ("Documents") as well as materials, samples, models, parts, tools, special packaging, etc. ("Supplies") are supplied to the Seller by us, these shall remain our property. Documents and Supplies shall only be made available to the Seller for the purpose and for the duration of the manufacture of the goods ordered by us. Reproduction of the Documents / Supplies is only permitted with our prior written consent.
2. In the event of processing, combining and/or mixing ("processing") of Supplies provided, we shall acquire co-ownership in the ratio of the value of the materials provided (purchase price plus VAT) to the other materials at the time of processing.

## § 8 Tools

1. If we furnish the Seller with tools, § 7 shall apply.
2. If we bear (proportionately) the costs for the manufacture of (special) tools for the manufacture of the goods, we shall acquire (co-) ownership in proportion to the costs borne. The Seller shall mark the tools as our (joint) property and shall carry out the necessary maintenance / repair measures at his own expense. We shall acquire ownership of replacement purchases in the same proportion. The seller grants us a right of pre-emption on his co-ownership share. The Seller already declares that he will store the tool free of charge and will sign a corresponding storage contract with us.
3. The seller is obliged to insure such tools at replacement value against fire, water and theft at his own expense.

#### § 9 Export controls and certificates of origin

1. The Seller is obliged, to comply with applicable export control laws and regulations of the EU, the USA or other national export control regulations.
2. The Seller shall be obliged to obtain the necessary permits before transferring technical information or objects to us and to inform us without being asked of any export control classification number for such technical information and goods (e.g. US law: ECCN) and any restrictions on their transfer.
3. The Seller undertakes to provide us with all information necessary for compliance with such regulations in individual cases. In particular, he undertakes to confirm the origin of the goods in compliance with the statutory provisions, including by means of a supplier's declaration of origin.
4. We shall be entitled to terminate contracts with the Seller without notice if changes in applicable national or international export control laws and regulations or our internal regulations based thereon render the acceptance of the contractual services or the fulfillment of obligations arising from the contract impossible and also make it impossible in the foreseeable future.
5. The agreed scope of delivery to us must not include any goods or services originating from a person, company or country which are the subject of a legal embargo.

#### § 10 Protection of personal data

1. If we make personal data available to the Seller, the Seller shall comply with all applicable data protection laws and regulations.
2. The Seller shall, at its own expense, maintain or take appropriate technical and organizational measures to ensure a sufficient level of security for personal data commensurate with the risk involved.
3. The Seller acknowledges that the contractual processing of personal data may require the conclusion of additional data processing or data protection agreements with us or our affiliates. To the extent that such additional agreements are not already concluded as part of the contract, the Seller, its respective affiliated companies or subcontractors are obliged to conclude such agreement(s) with us immediately upon our written request, the conclusion of which is required by mandatory law or the recommendation of a data protection authority.
4. We expect the Seller to act in accordance with applicable law and therefore assume that the Seller has sufficient legal reasons to disclose personal data to us. The Seller hereby agrees to indemnify us against all claims, costs and damages of any kind on first written demand made against us by individuals concerned for lack of cause in law.

#### §11 Confidentiality

1. The Seller undertakes to keep secret the information provided by us, such as documents, supplies, knowledge, data carriers (hereinafter referred to as "information"), not to make it accessible to third parties (including his subcontractors) without our written consent and not to use it for purposes other than those specified by us. This applies accordingly to any of their duplications.

2. This obligation shall not apply to information which was already known to the Seller in a justified manner without an obligation to maintain secrecy upon receipt or which subsequently becomes known in a justified manner without an obligation to maintain secrecy, which is or becomes generally known without a breach of contract by one of the parties or for which he has been granted written permission for other use.
3. The Seller may not advertise his business relationship with us without our prior written consent.

#### § 12 Compliance

1. The Seller is obliged to supply the goods and/or services in compliance with all applicable laws, regulations, industry norms and standards.
2. Seller shall promptly notify us in writing if Seller becomes aware that it has violated any applicable laws or standards and we might be affected by such violation.
3. In addition, the Seller acknowledges the Kaman Corporation Code of Ethics and Business Conduct (available at <https://www.kaman.com/sites/default/files/Kaman-Code-Conduct-English.pdf>) and undertakes to abide by and implement the principles set forth therein.

#### §13 Quality assurance

1. Unless otherwise agreed with us, the Seller shall constantly monitor the quality of its goods and services. Prior to the respective delivery of goods to us or to third parties designated by us, the Seller shall ensure that the delivery items intended for delivery are free of defects, comply with the agreed technical requirements, and confirm this to us in writing. The Seller shall inform us immediately in writing of any deviations found.
2. After prior notification, the Seller shall grant us access to the production facilities or have us granted such access, also accompanied by our customers and, if applicable, representatives of any aviation authorities, in order to audit on site compliance with the agreed quality characteristics of the goods. The Seller shall grant us access to the quality assurance documents.

#### §14 Place of jurisdiction and applicable law

1. The exclusive place of jurisdiction for all present and future claims arising from the business relationship, provided that the Seller is a merchant, a legal entity under public law or a special fund under public law, shall be the registered office of the company using these GPC. We reserve the right to bring an action at the legal place of jurisdiction of the Seller.
2. Unless otherwise stated in the order, the place of receipt stated in the order, or alternatively the registered office of our company, shall be the place of performance.
3. The law of the Federal Republic of Germany shall apply excluding its conflict of laws provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG).

**§15 Miscellaneous**

1. Should individual provisions of these GPC or of the contract concluded between us and the Seller be or become invalid, the remaining terms and conditions shall remain unaffected by this.