

GENERAL PURCHASING AND SERVICE TERMS AND CONDITIONS OF LILIUM GROUP for Non-Flying Material

These General Purchasing and Service Terms and Conditions ("GPC Terms") apply for the procurement of goods and services by Liliium eAircraft GmbH and its Group Companies from the Supplier.

PREAMBLE

The Supplier declares that it has full knowledge of the high level of requirements of LILIUM in terms of quality, safety, and traceability for the aerospace industry, and that it has all the technical capability, the know-how and the necessary resources to supply the Goods and/or Services in accordance with such requirements. The Supplier has been selected on the basis of these declarations and on the basis of its capability for the supply of the Goods and/or Services, its competitiveness and its willingness to supply the Goods and/or Services in accordance with these GPC Terms.

1. DEFINITIONS

Business Days means days at which the offices of LILIUM at the Delivery Location are generally open for business.

CoC means Certificate of Conformity.

Change of Control shall be deemed to have occurred if a third party, or several third parties acting jointly and/or in concert, acquire, by whatever means, at least 25.01% of the voting rights or shares of the Supplier.

Delay means any default or delay except in case of Force Majeure.

Delivery means the completed supply of the Goods or the completed performance of the Services.

Force Majeure means the occurrence of an event beyond the reasonable control of LILIUM or the Supplier, including without limitation, an act of God, fire, flood, explosion, earthquake, any act of government, war, insurrection or riot.

Goods means any such products, tangible or not (e.g., hardware, software, technology, data), to be supplied to LILIUM by the Supplier pursuant to or in connection with the Order.

Group Company, Group Companies means Liliium eAircraft GmbH and its affiliated companies within the meaning of section 15 et seq of the German Stock Corporation Act (*Aktengesetz*).

Laws means laws, regulations, directives, ordinances and/or case law (including the change of interpretation of codified rules).

LILIUM means the Group Company listed in an Order as the company placing the Order.

NDA means Non-Disclosure Agreement.

Non-Conformity means any failure to meet a requirement as specified in the Order.

Order means the purchase order issued by LILIUM to the Supplier, setting out LILIUM's requirements, including the GPC Terms, and any other documents (or parts thereof) specified in that Order.

Parties means LILIUM and the Supplier as jointly referred to.

Party means LILIUM or the Supplier as referred to individually.

POA means production organization approval.

Price means the price of the Goods and/or Services as specified in the Order.

Services means any services or works (*Dienstleistungen, Werkleistungen*) to be provided to LILIUM by the Supplier pursuant to or in connection with the Order.

Supplier means the person, company or entity which is the supplier of the Goods or the provider of the Services, as named in the Order.

2. ESSENTIAL CONDITIONS

2.1 The GPC Terms are incorporated into and made an essential part of every Order. They may only be varied with the prior written consent of LILIUM, signed by a duly authorized representative of LILIUM.

2.2 The Order will become binding upon the acceptance of the Order by the Supplier as specified in section 3.1 or on Delivery of the Goods or the Services, whichever is earlier.

2.3 General terms and conditions of the Supplier as well as any provisions in other documents provided by the Supplier (such as offers, specifications, data sheets, technical documentation, advertising materials, order confirmation and/or shipping documents) that are inconsistent with these GPC Terms shall not apply nor form part of the Order. A notice of objection regarding such general terms and conditions of the Supplier is herewith given.

2.4 In the event of a conflict between these GPC Terms and anything in the Order, the Order shall prevail.

2.5 LILIUM may at any time amend these GPC Terms. LILIUM shall notify the Supplier in writing of any amendments to these GPC Terms and of the fact that Supplier may object to the amendments within two months from the date of notice. A failure to object within such period shall be deemed as Supplier's consent to the amendment of these GPC Terms.

3. ORDER; ORDER CONFIRMATION; CONTACTS

3.1 Within 14 calendar days of a submitted Order, the Supplier undertakes to notify LILIUM of acceptance or refusal of the said Order by email in written form. LILIUM may withdraw any Order prior to its acceptance by the Supplier without any liability whatsoever.

3.2 If the Supplier expressly refuses the Order, it shall be deemed withdrawn and the Parties may negotiate new terms. The Supplier shall appoint a single point of contact as well as a functional team to support the performance under the Order.

The contacts or their representatives shall be available on Business Days between 08:00 and 18:00 CET or the time zone at the place of delivery. The contact persons of the Supplier and LILIUM shall be designated in the Order.

4. DELIVERY; DEADLINES; TITLE AND RISK; FORCE MAJEURE

4.1 The Goods and/or Services shall be delivered to the place named on the Order and in accordance with the Order ("**Delivery Location**").

4.1.1 Delivery of the Goods shall be completed when the Goods have been unloaded at the point of delivery specified in the Order and delivery has been accepted by LILIUM or its authorized representative.

4.1.2 Delivery of the Services shall be completed when the Services have been performed in accordance with the Order and received by LILIUM or its authorized representative (acceptance as per section 10.3).

4.2 The Goods or the Services shall be delivered on or until the date written in the Order ("**Delivery Date**"). The time of Delivery is of the essence for the purposes of the Order.

4.3 If Goods or Services are delivered more than ten calendar days earlier than the Delivery Date, LILIUM may, at its sole discretion, refuse to accept Delivery or charge for insurance and storage of the Goods until the Delivery Date.

4.4 The place of performance and fulfillment shall be the registered office of LILIUM, or such other place as specified in the Order as Delivery Location. The Delivery of Goods shall be made DAP (Delivered At Place, ICC Incoterms 2020) at the Delivery Location. Supplier must not use national postal services, but only courier/shipping service providers which operate internationally. Additional costs and fees due to non-compliance with this requirement shall be borne by the Supplier.

4.5 If the Supplier cannot adhere to agreed dates or deadlines, it shall notify LILIUM without undue delay by email, stating the reasons for the Delay. Changes to agreed dates and deadlines require LILIUM's prior written consent.

4.6 Transfer of title in the Goods shall pass to LILIUM upon Delivery and transfer of risk according to the INCOTERM specified in section 4.4 above. Any right of the Supplier for retention or reservation of title is waived.

4.7 Neither Party shall be deemed to be in default of its obligations under the Order to the extent that such default is caused by Force Majeure. The affected Party shall mitigate the effects of the default caused by Force Majeure. The affected Party shall immediately inform the other Party if the Force Majeure will cause or is likely to cause a delay in the affected Party's performance under the Order and shall provide reasonable evidence of the Force Majeure. Immediately after the Force Majeure has ceased, the affected Party shall resume the performance of its obligations.

5. LABELLING AND PACKAGING OF GOODS

5.1 The Supplier shall pack, mark and protect the Goods in a proper manner from possible transport damages. In particular, the Goods shall be marked with the order number and Supplier's name, the details of the contents shall be clearly marked on each container, and all containers of hazardous goods (and all relating documents) shall bear prominent and adequate warnings.

5.2 Electrostatic discharge ("**ESD**") endangered Goods shall be packed in a single ESD secured packaging. The package shall be marked as "ESD endangered" on the outside or any other agreed marking.

6. CHANGE TO THE ORDER; WAIVER

6.1 Any change to the Goods or the Services requires LILIUM's prior written consent via change note to the Order.

6.2 LILIUM may change the Order by notice to the Supplier, provided that any change to the Goods and Services shall be reasonable and implementable for the Supplier. Any resulting impact on the Price or the Delivery Date shall be evidenced and agreed between the Parties in writing.

6.3 LILIUM may issue waivers ("**Waiver**") that allow the Supplier to deliver the Goods or the Services under certain conditions which have not been agreed in the Order. Such other conditions only apply to parts, quantities or requirements as specified in the Waiver. LILIUM is not obliged to accept partial Deliveries.

7. REPRESENTATIONS AND WARRANTIES

7.1 The Supplier warrants and represents that the Goods or the Services, as applicable:

- conform in all respects with all particulars or specifications set forth in the Order, including any variations, and with the requirements of applicable Laws;
- are of satisfactory quality and free from defects in materials, design and workmanship, and fit and sufficient for the purpose for which such Goods or such Services are ordinarily used and for any particular purpose, functions, uses, as intended by LILIUM and made known to the Supplier;
- are free and clear of all liens and encumbrances;
- do not infringe any Intellectual Property of any third party.

7.2 These warranties shall remain valid for a period of 36 months from the date of Delivery.

7.3 LILIUM shall notify the Supplier of any defects within 8 Business Days from discovery by LILIUM.

7.4 If the Goods do not match the performance and quality requirements specified in the Order or are otherwise defective, the Supplier shall promptly repair or replace (at LILIUM's sole discretion) the respective Goods at its own costs, but no later than 5 Business Days upon receipt of the notification of defect.

7.5 If the Services do not comply with the performance and quality requirements specified in the Order, LILIUM may claim, at its sole discretion, all rights it may have under statutory law.

7.6 The warranties of this section 7 apply without prejudice to or exclusion of other warranties pursuant to statutory law. In case of imminent danger or risk of exceptional damage LILIUM is entitled, after giving notice to the Supplier, to remedy, or have remedied, the defects or non-compliance at the Supplier's cost.

8. PRICE; PAYMENT TERMS

8.1 The Supplier shall not increase the Price unless it is validly accepted by LILIUM and agreed in writing before the execution of the Order.

8.2 The Price shall be inclusive of all packaging, delivery and insurance costs, and any applicable sales taxes, duties or levies but exclusive of VAT.

8.3 LILIUM shall pay valid invoices within 30 calendar days after its physical or electronic receipt by LILIUM and after completion of Delivery and acceptance of all Goods or all Services, whichever is later.

8.4 A valid invoice is one that:

- is delivered in time and in accordance with the Order;
- is for the correct sum;
- quotes the relevant Order;
- has been delivered to the Delivery Location;
- complies with the applicable statutory provisions; and
- for Services that are priced based on time spent, includes a detailed, true and correct time report of the Supplier.

8.5 Payment by LILIUM does not constitute an acknowledgement that the Goods or the Services were provided in accordance with the GPC Terms or the respective Order.

9. DAMAGE IN TRANSIT

On dispatch of any Goods, the Supplier shall send to LILIUM, at the address for Delivery of the Goods, an advice note specifying the means of transport, the place and date of dispatch, the number of packages and their weight and volume.

10. INSPECTION, REJECTION, ACCEPTANCE

10.1 LILIUM shall inspect the Goods after Delivery in due course. Obvious defects shall be notified by LILIUM to the Supplier within two Business Days.

10.2 LILIUM may reject any Goods or Services that are not in accordance with the Order if such Non-Conformity is evident at the time of Delivery.

10.3 In case statutory law requires a Service to be formally accepted by LILIUM, the Supplier shall inform LILIUM without undue delay about the completed Delivery of such Service, after which LILIUM shall perform, within a reasonable period of time, the acceptance procedures in compliance with the criteria as agreed between the Parties.

11. QUALITY

11.1 Quality; Delivery Documents; Regulations (EC)

11.1.1 Any Goods supplied shall carry a Certificate of Conformity ("**CoC**"). This certifies that the Goods are manufactured and tested in accordance with the technical requirements set out in the Order.

11.1.2 Suppliers with a production organization approval ("**POA**") shall enclose an *EASA Form 1* or *FAA 8130-3 certificate of release or equivalent*. In case of Suppliers without a production organization approval, the Goods shall be accompanied by a CoC.

11.1.3 The Supplier shall be responsible for ensuring that the Goods comply with EU Regulation (EC) No. 1907/2006 (REACH) and EU Directive 2011/65/EU (RoHS2) or any related successive legislation.

11.1.4 Upon LILIUM's request, the Supplier shall deliver an inspection report with defined key measures linked to the delivered Goods, in addition to a CoC.

11.1.5 Non-conforming and scrap parts shall be explicitly marked and separated from the regular parts. A delivery of non-conforming parts should only be made upon agreement by Liliium.

11.2 Quality Management System

11.2.1 The Supplier shall demonstrate and maintain a fully functional quality management system in place that is in line with LPOQS00003DIR Liliium Supplier Quality Management System Handbook as amended from time to time it being understood that such amendment shall be permissible only if materially justified due to changes of the applicable Laws (including case law), practices of the relevant supervisory authorities, general industry practices and/or technical requirements.

11.2.2 The Supplier shall be capable to demonstrate a manufacturing system that delivers full part / product traceability with respect to work order, shop floor management, as well as manufacturing and inspection tools and equipment used. Ongoing process and on customer demand surveillance by LILIUM is required.

11.2.3 The Supplier shall report all quality escapes to LILIUM within 24 hours. The Supplier shall reply to non-conformance reports within 2 Business Days.

11.2.4 In case of a Non-Conformity or quality escape as referenced in 13.2 and 11.2.3, the Supplier shall

- implement immediate containment action within 2 Business Days,
- complete permanent corrective action within five Business Days, and submit to LILIUM, in a LILIUM specified format, a corrective action report containing evidence of effectiveness within 15 Business Days.
- LILIUM shall be notified by the Supplier in writing should there be any deviation in the time allotted.

12. HEALTH AND SAFETY

The Supplier represents and undertakes to LILIUM that:

- All necessary tests and examinations have been made or will be made prior to Delivery of the Goods to ensure that the Goods are designed, manufactured, supplied and installed so as to be safe and without risk to the health or safety of persons using the same; and

- To make available to LILIUM adequate information about the use for which the Goods have been designed and tested, and about any conditions necessary to ensure that the Goods' use will be safe and without risk to health; and

- Where applicable, the Goods comply with EU Directive 42/2006/EC (Machinery Directive), and the Supplier will issue to LILIUM an EC Declaration of Conformity or EC Declaration of Incorporation and permanently mark the Goods with "CE" marking.

13. LIQUIDATED DAMAGES, CANCELLATION

13.1 In case of a Delay in Delivery, LILIUM is entitled to contractual penalties of 0.3% of the Price of the affected Good or Service per each commenced Business Day of Delay, but not exceeding a total of 5% of the total value of the Order. If the Supplier fails to deliver by more than 15 Business Days after the Delivery Date, LILIUM may cancel all or part of the relevant Order without any liability to Supplier and without prejudice to LILIUM's other rights and remedies. In particular, LILIUM may purchase substitute goods or services and hold the Supplier accountable for any and all loss and/or additional costs incurred as a result of the failure to deliver on time.

13.2 In the event of a Non-Conformity, LILIUM may charge liquidated damages of EUR 200.00 per Non-Conformity.

13.3 LILIUM may either invoice the liquidated damages or credit the liquidated damages against its payment obligations.

13.4 LILIUM's rights under this section 13 are without prejudice to any other rights or remedies of LILIUM.

14. LIABILITY AND INSURANCE

14.1 The Supplier shall indemnify and keep indemnified LILIUM against any and all actions, suits, claims, demands, losses, charges, costs and expenses (including legal expenses and disbursements) which LILIUM may suffer or incur as a result of, or in connection with, any culpable breach of these GPC Terms or any further obligations set forth in the Order by Supplier or any of its agents.

14.2 The Supplier shall take adequate measures to prevent a cyber-attack (cyber virus transferred to LILIUM via electronic connections or in the Goods delivered to LILIUM) which might affect LILIUM's products or LILIUM's business.

14.3 The Supplier shall take out and maintain with a reputable insurance company a policy or policies of insurance that are usual for Orders of this nature, covering all the matters which are the subject of indemnities and liabilities under these GPC Terms (including but not limited to product liability insurance), and with adequate coverage amount.

14.4 The Supplier shall, at the request of LILIUM, produce the relevant policy or policies together with receipts or other evidence of payment of the latest premium.

14.5 The Supplier shall be liable under the provisions of the Order whether or not it complies with the insurance provisions in this section 14.

14.6 Nothing in these GPC Terms or the Order shall exclude or limit the liability of either Party for damage to life, body and health caused by its negligence, intent, for fraudulent misrepresentation, or under applicable Product Liability Laws.

15. CONFIDENTIALITY

15.1 The Order shall be treated as confidential. The Supplier shall keep all commercial and technical information and documents, which become known to it through the business relationship, and which are not generally known, confidential and use these exclusively for providing the Goods or the Services under the Order.

15.2 The Supplier undertakes to also oblige his suppliers to maintain confidentiality with confidentiality obligations at least equal to those set forth in this section 15.

15.3 The terms and conditions of the Non-Disclosure Agreement ("NDA") signed between the Supplier and LILIUM are hereby incorporated in and shall form an integral part of the Order and the GPC Terms.

15.4 The term of the NDA shall be extended for a further period of 5 (five) years following the issuance of an Order.

15.5 The Supplier shall not refer to LILIUM or the Order in any advertisement without LILIUM's prior written consent.

16. EXPORT CONTROL, FOREIGN TRADE, AND CUSTOMS REGULATIONS

16.1 In the performance of this Agreement, the Supplier shall comply with all applicable export control, economic embargo and sanctions, customs, and foreign trade laws and regulations (collectively, "Foreign Trade Regulations"), including all requirements to obtain any and all licenses, approvals, and agreements to ensure delivery of all Goods or all Services in compliance with Foreign Trade Regulations.

16.2 The Supplier shall provide LILIUM information reasonably required to ensure Liliu's compliance with Foreign Trade Regulations.

In this regard, the Supplier shall, promptly upon receipt of an Order and subsequently in case of any changes in the Goods, the Services, or in Foreign Trade Regulations, identify any part of the Goods or of the Services that is subject to Foreign Trade Regulations, and accordingly fill in and sign the "Lilium Export Control Form – Supplier".

16.3 Where the Supplier is based within the European Union, it shall provide Liliu with confirmation that Goods purchased from outside of the European Union have been imported duty and tax paid and that it is supplying the Goods without any duties whatsoever in addition to the sales price.

17. DATA EXCHANGE

17.1 LILIUM and Supplier may exchange information including but not limited to quality, Delivery, Order, and pricing data electronically.

17.2 Each Party shall comply with the data protection obligations under the regulation (EU) 2016/679 (General Data Protection Regulation, "GDPR") and any other applicable data protection laws.

17.3 In the event of a breach of the Privacy Regulations by the Supplier, the Supplier shall indemnify and keep indemnified LILIUM, its representatives, employees and agents against any losses, damages, expenses, costs, actions, claims, suits, litigation, causes of action, demands and liabilities which may be made against LILIUM by any third party for any breach of Supplier's obligations pursuant to section 17.1 above.

18. TERMINATION FOR GOOD CAUSE

18.1 LILIUM and the Supplier may terminate the Order in whole or in part for good cause with immediate effect by providing written notice to the other Party.

18.2 Without prejudice to applicable Laws, LILIUM may terminate for good cause if at any time:

- The Supplier fails to deliver in time any Goods or any Services, or any instalment thereof after receipt of a default notice from Liliu and expiry of a reasonable cure period;

- The Supplier is in material breach or default with respect to these GPC Terms or any Order and such breach or default is not cured within seven calendar days upon receipt of a default notice from LILIUM;

- The Supplier subcontracts to third parties without the prior written consent of LILIUM;

- The Supplier passes a resolution that it be wound-up or that an application be made for an administration order or the Supplier applies to enter into a voluntary arrangement with its creditors;

- The Supplier is unable to pay its debts;

- There is a Change of Control in the Supplier; or

- In case of Force Majeure.

18.3 If LILIUM terminates the Order, LILIUM's sole obligation and the Supplier's sole remedy will be the payment for the Goods or the Services received and accepted by LILIUM prior to the termination.

19. ORDINARY TERMINATION

In the event of interruption, cessation or reduction of LILIUM's development and/or manufacturing, LILIUM may terminate the Order (in whole or in part) by giving a 60 calendar days' prior written notice of termination to the Supplier. Upon receipt of such notice, the Supplier must immediately stop all work related to the terminated Order.

LILIUM shall only pay to the Supplier:

- already delivered and accepted Goods or Services,

- all reasonable and demonstrable costs incurred as termination liabilities towards its subcontractors or suppliers, provided the Supplier proves to have taken all reasonable endeavors to mitigate such cost.

The Supplier shall not be entitled to claim from LILIUM any amount higher than the total Price for the terminated Orders, less any payment already made by LILIUM with regards to such Orders.

20. ASSIGNMENT AND SUB-CONTRACTING

20.1 The Supplier shall not without the prior written consent of LILIUM assign or transfer the benefit or burden of the Order.

20.2 The Supplier shall not sub-contract third parties without the prior written consent of LILIUM. No sub-contracting by the Supplier shall in any way relieve the Supplier of any of its responsibilities under the Order.

21. NOTICES

Any notices, including but not limited to notifications, written consents and authorizations, to be given under the Order shall be delivered personally or sent by post, by facsimile transmission or email to the head of procurement (in the case of LILIUM) or to the address set out in the Order (in the case of the Supplier).

22. THIRD PARTY RIGHTS

The Order is not intended to create any rights of any kind whatsoever enforceable by any person who is not a party to the Order.

23. SEVERABILITY

If any provision of these GPC Terms or the Order is found to be legally invalid or unenforceable, this will not affect the validity or enforceability of any other provision of these GPC Terms or the Order. In such case, the Parties shall replace the invalid provisions or unenforceable provision by a valid and enforceable provision which comes as close as possible to the economic scope of the invalid or unenforceable provision.

24. NO WAIVER

No delay or omission by LILIUM in exercising any of its rights under the Order shall constitute a waiver of that right, and any partial exercise of any such right shall not prevent any future exercise of the right.

25. LAW AND JURISDICTION

The Order and the GPC Terms shall be governed by and interpreted in accordance with the laws of the Federal Republic of Germany excluding the provisions of the UN Convention on the International Sale of Goods (CISG).

The exclusive place of jurisdiction shall be Munich, Germany.

26. SPARE PARTS AND OBSOLECENCE

The Supplier shall supply spare parts under reasonable conditions throughout the period of the usual technical lifetime of the Goods. If the Supplier discontinues the Delivery of the Goods, Supplier shall provide the opportunity for a last Order under reasonable conditions with Prices not exceeding those agreed in the respective latest Orders.

27. COORPORATE RESPONSABILITY AND SUSTAINABILITY; SUPPLIER CODE OF CONDUCT

27.1 The Supplier is obliged to comply with the laws of the applicable legal system(s). In particular, the Supplier will not engage, actively or passively, nor directly or indirectly in any form of bribery, in any violation of basic human rights of employees or any child labor. The Supplier will take responsibility for the health and safety of its employees and will act in accordance with the applicable environmental laws. The Supplier will take adequate measures to avoid the deployment of so-called conflict minerals and to create transparency over the origin of raw materials, and will use best efforts to promote this code of conduct among its suppliers.

27.2 The Supplier shall adhere to LILIUM's Code of Conduct for Suppliers (lilium.com/files/redaktion/suppliers/Code%20of%20Conduct%20for%20Suppliers.pdf).

27.3 In addition to other rights and remedies that LILIUM may have, LILIUM may terminate the Order if the Supplier breaches any of its obligations under this section 27 and, if the breach is capable of being remedied, has failed to remedy the breach within a reasonable grace period set by LILIUM.