

**PURCHASE CONDITIONS**

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**SCOPE**

The present Purchase Conditions (the "APP PC") shall govern any order for Works (as defined in Article 1 of the APP PC here under), placed by Aerospace Propulsion Products B.V. (hereinafter referred to as the "Purchaser") to a Supplier by means of a Purchase Order.

The acceptance of the Purchase Order by the Supplier, as negotiated between the Parties, entails the waiver of Supplier’s general conditions of sale, even when reproduced on the acknowledgement of receipt of the Purchase Order or any other commercial document.

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**ARTICLE 1**      **DEFINITIONS**

**Background Rights:** The intellectual property rights generated or acquired independently and / or prior to the date of signature of the Purchase Order.

**Derogation:** written authorization from the Purchaser to use or deliver Works which depart from the requirements specified (technical specifications, technical conditions for executing the Purchase Order, etc.).

**Force Majeure:** a failure that cannot be attributed to a Party within the meaning of Section 6:75 of the Dutch Civil Code, including any unforeseeable, unavoidable and external event beyond the reasonable control of that Party which prevents the performance of a Purchase Order in whole or in part, excluding events that merely render performance more onerous.

**Information:** means information or data regardless of the subject matter, nature, supporting medium or transmission disclosed by either Party or obtained and/or developed by the either Party directly or indirectly for the needs of the Works.

**Party or Parties:** collective or individual designation of the Purchaser and the Supplier.

**Purchase Order:** document issued by the Purchaser and sent to the Supplier, including in particular the description of the Works ordered, the time periods, price and reference to the Specific Conditions and to the present APP PC.

**Purchaser Furnished Property:** machinery, tooling, raw materials, components, equipment or any other asset or item of property made available to the Supplier by the Purchaser or designed and/or manufactured by the Supplier for the requirements of the Purchase Order.

**Result:** means but is not limited to the results of works, information, knowledge, inventions, know-how, software, sets of drawings, drawings, technical documents, models, mock-ups, prototypes, processes, whatever the nature and/or medium, protectable or not by intellectual property right or title generated during the execution of the Works by the Supplier.

**Special Process:** According to the ISO 9001 and AS9100 standards, this is a production or service process whose resulting result cannot be verified by means of subsequent monitoring or measurement.

**Specific Conditions:** the specific conditions as negotiated and agreed between the Parties stipulated in the Purchase Order, or in a separate document signed by both Parties, whatever their nature (technical, quality, commercial, administrative etc.). In case of contradiction, these specific provisions prevail over the present APP PC.

**Supplier:** the company designated on the Purchase Order.

**Works:** all the services to be performed by the Supplier and/or the supplies to be delivered by the Supplier to the Purchaser in accordance with the provisions of the Purchase Order, including, where applicable, on the Purchaser Furnished Property.

## **ARTICLE 2      CONDITIONS FOR COMPLETION OF THE WORK**

The Supplier has a duty to inform, advise and warn the Purchaser.

The Works shall be executed in accordance with the documents and data referenced in the Purchase Order and in accordance with current regulations and applicable standards. The Supplier is responsible for checking and ensuring that it has all the appropriate elements it requires (documents, data, materials, tooling, etc.) before undertaking the Works entrusted to it.

The assistance with which the Purchaser may provide the Supplier for carrying out the Works or the inspections which the Purchaser reserves the right to conduct, in no way exempts the Supplier from its liability over the Works.

The Supplier's contractual liability is capped to 100% of the total amount of the Purchase Order.

## **ARTICLE 3      FORMATION OF THE ORDER**

3.1 The Supplier acknowledges that it has read all the terms and conditions of the Purchase Order issued by the Purchaser in terms of time limits, compliance and performance.

3.2 The Supplier shall acknowledge receipt of the Purchase Order by returning the acknowledgment of receipt attached to said Purchase Order, duly signed by the Supplier, within a time period compatible with the delivery schedule stipulated in the Purchase Order and no later than ten (10) working days following the receipt of such Purchase Order. In the absence of acknowledgment of the Purchase Order by the Supplier within this period, any commencement of performance of the Works by the Supplier shall be deemed acceptance of the Purchase Order and the present APP PC.

3.3 Any derogation from these APP PC and / or the Purchase Order shall only be enforceable against a Party with that Party's prior written consent. These derogations shall be formalized in the Specific Conditions negotiated between the Parties.

3.4 After acknowledgement of the Purchase Order, any modification agreed between the Parties at the request of the either Purchaser or the Supplier shall be subject to a written amendment providing for the practical and financial conditions of this modification.

## **ARTICLE 4      SUBCONTRACTING**

4.1 In the case where the Supplier is contemplating contracting out a part of the Works, it undertakes to notify the Purchaser in writing of the name and contact details of its subcontractors and their conditions of payment, at the latest before the

commencement of the Works. The Purchaser reserves the right to refuse or require a change to these subcontracting arrangements.

- 4.2 Subcontracting does not in any way exempt the Supplier from its liability to the Purchaser and the Supplier remains solely responsible for the performance of the Works towards the Purchaser.

## **ARTICLE 5 INVOICING AND CONDITIONS OF PAYMENT**

- 5.1 The Supplier shall draw up an invoice in electronic format, from the date of acceptance of the Works, as provided for in ARTICLE 7 of the APP PC. In addition to the legal required statements, the invoice shall state the Purchase Order number, the item number, the precise name of the Works, the currency, the bank references, the numbers and the dates of the delivery notes to which it refers. Invoices shall be sent to the e-mail address: **factuur@appbv.nl**.
- 5.2 Subject to acceptance of the Works by the Purchaser, the payments are made by commercial transfer in Euros, within thirty (30) days from the date of issue of the invoice.
- 5.3 In the event of late payment, the Purchaser shall owe statutory commercial interest (wettelijke handelsrente) as from the day following the due date, without any prior notice of default being required. In addition, the Purchaser shall reimburse all reasonable extrajudicial collection costs in accordance with the applicable Dutch statutory regulations. These remedies are without prejudice to any further rights of the Supplier under the APP PC, Purchase Order or applicable law.

## **ARTICLE 6 ACCESS TO THE SUPPLIER'S PREMISES**

Subject to the internal regulations of the Supplier and/or its subcontractors and/or suppliers, the representatives of the Purchaser and its clients, and representatives of national supervisory bodies or their delegates shall have access shall have access during working hours to the premises in which the Works are being carried out, whether in the Supplier's premises or at those of its subcontractors and suppliers. This right of access is particularly granted to the representatives charged with monitoring performance of the Works, the audits, investigations or inspections necessary for the Supplier's qualification.

## **ARTICLE 7 ACCEPTANCE OF THE WORK**

The Works are accepted by the Purchaser as per the provisions on the Purchase Order.

Unless the Purchaser notifies the Supplier of its rejection in writing, final acceptance of the Works shall be deemed to take place thirty (30) calendar days after delivery. In no case may acceptance of the Works by the Purchaser be interpreted as a waiver of or as impacting on the extent of the warranties or other commitments of the Supplier in respect of hereof or of any legal warranty.

In case of rejection of the Works, the Supplier is bound to carry out all actions (replacements, repairs, etc.), at its expense, necessary to ensure compliance of the

Works with the requirements on the Purchase Order within time periods compatible with the needs of the Purchaser. Where applicable the Supplier undertakes to send all the information necessary for the re-export of the goods as soon as possible.

The Works rejected by the Purchaser under the terms of this ARTICLE 7 shall be not constitute fulfilment of the Supplier's delivery obligation under the Purchase Order. The Supplier shall arrange collection or authorize disposal at its expense, and remains obligated to deliver conforming Works within the agreed timeframe.

## **ARTICLE 8      TRANSFER OF OWNERSHIP (TITLE) AND RISK AND CUSTOMS CLEARANCE**

8.1            Notwithstanding any clause to the contrary contained in any document originating from the Supplier, ownership of the Works transfers on acceptance of the Works by the Purchaser.

8.2            Unless stipulated otherwise on the Purchase Order, the Supplier is responsible for delivering the Works "Delivered Duty Paid" (DDP - Incoterms® CCI 2020) at the Purchaser's premises, at the location specified in the Purchase Order, unloading being at the Supplier's charge and liability.

## **ARTICLE 9      TRANSPORT AND DELIVERY**

9.1            All deliveries of the Work must be made to the place of delivery designated in the Purchase Order. On delivery, the Supplier undertakes to deliver the declaration or certificate of conformity pertaining to the Works and/or any other document specified in the Purchase Order, duly signed by the Supplier.

9.2            All deliveries must be accompanied by a delivery note stating:

- the Purchase Order number,
- the address and telephone number of the correspondent specified in the Purchase Order,
- the item numbers, quantities, measurements or weights delivered,
- the nature and reference numbers of the Works, in accordance with the wording on the Purchase Order, including accompanying documents and materials.

The Supplier undertakes, under its responsibility, to provide all documents and information relating to the Works in accordance with European and/or national customs regulations and sanctions (such as restrictive measures against a State, the Carbon Border Adjustment Mechanism, etc.). The Supplier guarantees the accuracy and completeness of the documents and information transmitted.

In the event of incomplete or incorrect documents or information, the Purchaser may hold the Supplier liable. Any resulting costs (including duties, taxes, and late payment interest) shall be borne exclusively by the Supplier. The Supplier undertakes to

reimburse all amounts due under this Article to the Purchaser within 15 days from the Purchaser's payment request or from the issue of the invoice.

The Supplier shall also provide all documents relating to the Works, including instruction manuals in the Dutch or English language, and shall affix the conformity marking (CE) legibly on the relevant Works.

9.3 The Works must be shipped with sufficient packaging and protection to ensure they incur no damage during transport and storage. It is the Supplier's responsibility to ensure that the packaging conforms to current regulations and standards in force. The Supplier bears all the consequences of defective, inadequate or unsuitable protection, packing or marking of the Works that are the subject of the Purchase Order. It will in particular be required to replace Works lost or damaged, at its expense and liability and within the time periods stated by the Purchaser.

No later than on delivery of the Works, the Supplier also undertakes to issue the Purchaser with a User's Manual in the Dutch or English language and to affix the conformity mark (CE) to the Works in question in a legible fashion. All dangerous goods must be carried in accordance with the applicable regulations.

All the documentation accompanying the Works must be accessible without damaging the packaging or the Works themselves.

9.4 Where the Works or products used in such Works have specific conditions of use or have a limited period of validity, the Supplier shall specify in Work's accompanying documents the date of manufacture and the remaining period of validity, before use, counted as from the date of delivery and shall display on the part of the packaging which serves directly to contain, support or protect the product, in an appropriate and indestructible way:

- the measures to be taken to ensure their proper use (including storage and transport) so as to guarantee their preservation, and
- the expiry date of use, it being understood that at the time of delivery the Purchaser must have a remaining validity period of at least 75% of the total shelf life.

## **ARTICLE 10 LATE DELIVERY**

10.1 The agreed delivery times shall constitute strict deadlines within the meaning of Section 6:83 of the Dutch Civil Code.

In case of delay, the Supplier shall notify the Purchaser, as soon as possible and undertakes to use every resource to minimize these delays. It shall inform the Purchaser of the corrective measures.

Except as agreed between the Parties, any delay in delivery will result in the application of a penalty as defined in the Special Conditions of the Purchase Order. Where the Purchase Order is silent, the applicable penalty shall be set at 0,5% of the

amount of the Works overdue for each calendar day behind schedule. This amount is limited to 15% of the value of the Works overdue.

10.2 If the Supplier's delay has become incompatible with the Purchaser's programmatic constraints, the Purchaser may terminate, for fault of the Supplier, all or part of the Purchase Order, under the conditions of Article 20.1 of the APP PC.

Penalties may be invoiced by the Purchaser to the Supplier if, within fifteen (15) calendar days, the Supplier has not challenged the grievance in writing, or has not already paid the Purchaser the amount claimed.

## **ARTICLE 11     WARRANTY**

### **11.1     Duration of the Warranty**

Without prejudice to the application of the legal guarantees, the Supplier guarantees from the receipt, for a period defined in the Purchase Order, that the Works are:

- in conformity with the Purchase Order (including its applicable documents), as well as with best industry practice and the state of the art;
- suitable for the Purchaser's needs as expressed in the Purchase Order;
- free from any design defect (where design was the Supplier's responsibility) and from any product defect and from any workmanship defect.

In the absence of any provision in the Purchase Order, the Works shall be warranted for a period of two (2) years from their acceptance in accordance with ARTICLE 7.

### **11.2     Implementation of the Warranty**

In the event of a non-conformity or defect as provided for in Article 11.1 of the APP PC, the Supplier undertakes, at the option of the Purchaser (which shall however take into account the constraints of the Supplier):

- either to repair or replace defective Works at the expense of the Supplier, including all transport costs, or
- to reimburse the Purchaser for the defective Works.

Such remedial measures shall be implemented within a timeframe agreed by the Parties and taking into account the programmatic constraints of the Purchaser.

If the Works consist of several sub-assemblies, the Supplier shall, at its own expense, correct the anomalies and damages occasioned by such a defect or malfunction on the other subsets of the said Works.

11.3 Except as otherwise provided in the Purchase Order or as agreed upon by the Parties in accordance with the provisions of Article 11.2 above, replacements or repairs to the Work under the safeguards provided for in this Article shall be made within a maximum period of forty (45) calendar days from the written notification by the Purchaser of the defect or malfunction.

## **ARTICLE 12     QUALITY, SAFETY AND ENVIRONMENT**

### **12.1     Requirements on "Completion of the Works"**

The Supplier shall keep an up-to-date list of its suppliers and/or subcontractors, whatever their ranking in the contractual chain, who perform and implement Special

Processes. Prior to any implementation, the Supplier undertakes to notify the Purchaser of:

- any change of definition,
- any significant development in the manufacturing or control process,
- development of any special processes,
- transfer of manufacturing to another site.

The Supplier shall demonstrate and guarantee the same performances and the same level of quality of the Works.

12.2 Requirements on “Identification and Traceability”

Traceability is a requirement. The Supplier therefore undertakes to take all necessary measures to maintain, warrant, preserve and identify traceability of the Works at any level, for as long as contractually or statutorily required.

12.3 Requirement on “Conformity of the Works”

The Supplier shall draw up and implement a procedure ensuring that the Works comply with the requirements of the Purchase Order. This procedure must also describe the means by which non-compliant Works may be identified and overcome. The Purchaser shall be informed without delay of any non-compliance of the Works.

12.4 In the event that any certification is suspended, withdrawn, not renewed or invalidated, the Supplier shall inform the Purchaser thereof in writing at the earliest opportunity and provide the necessary supporting evidence. In such case, the Purchaser may, without liability or compensation to the Supplier, suspend performance of the Works or terminate the Purchase Order with immediate effect.

**ARTICLE 13 REQUESTS FOR DEROGATIONS**

13.1 It is an absolute condition that any request for a Derogation made by the Supplier in the course of manufacturing or developing the Works or at the point of acceptance, is made in writing, at the very earliest opportunity, to the Purchaser personnel designated on the Purchase Order. This request for a Derogation must include technical evidence to support the acceptability of the non-compliance referred to by the Supplier as well as the measures implemented to avoid any recurrence.

13.2 To be binding on the Purchaser, any request for a Derogation covering all or part of the Works must be accepted by the Purchaser in writing before any implementation. The Supplier will bear all the consequences ensuing from this Derogation. Furthermore, the Purchaser is authorized to renegotiate the price of the Works that are the subject of the Derogation. The contractual delivery time for Works benefiting from a Derogation remains unchanged.

**ARTICLE 14 RESERVED**

**ARTICLE 15 RISK MANAGEMENT**

The Supplier shall be responsible for risk management to ensure control, throughout the entire performance of the Works, of the technical, scheduling and financial constraints inherent in the Works.

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- 15.1 The Supplier shall notify the Purchaser in writing of any event occurring and impacting the Works, while the Works are being carried out, without forty-eight (48) hours of becoming aware thereof.
- 15.2 At any time after the Supplier has been notified, the Purchaser or any person designated by the Purchaser, including its customers or the official services, have the right to carry out audits (technical quality, etc.) in the premises of the Supplier or of its subcontractors and/or suppliers. For this purpose, the Supplier undertakes to make available to the Purchaser or to the people designated by the Purchaser, the information and resources necessary to carry out this audit, at no additional cost, it being understood that the files pertaining to executing the Works and the production and logistics resources must be kept at the disposal of the Purchaser. Before conducting any audit, the personnel in charge of the audit in question shall, where necessary, sign a personal confidentiality undertaking.
- 15.3 The Supplier undertakes to supply the parts and/or spares connected with the Works, for the period specified by the Purchaser. If no period is specified, the Supplier shall supply them for as long as they are used by the Purchaser or its customers, in accordance with the conditions below. The Supplier shall alert the Purchaser to any foreseeable developments relating to the Works as well as of any halt in manufacture, as soon as it is aware thereof and at the earliest opportunity. In this case, the Supplier undertakes to ensure continuity in supply of the product so long as this is materially possible and to propose an equivalent or replacement product.
- 15.4 In the event of an audit carried out by the competent authorities directed at the Purchaser in relation with the Supplier's Works, the Supplier undertakes to communicate, as soon as possible, any information, document or material requested by the Purchaser.

**ARTICLE 16 RESERVED****ARTICLE 17 PURCHASER FURNISHED PROPERTY**

- 17.1 Some Purchaser Furnished Property may be supplied directly to the Supplier by the Purchaser to carry out the Purchase Order. Such Purchaser Furnisher Property shall remain the property of the Purchaser at all times and is provided to the Supplier solely for use in connection with the Purchase Order. The Supplier shall ensure that the Purchaser Furnished Property is properly identified, recorded, and stored separately in a facility reserved for the Purchaser and, where applicable, its customer.
- 17.2 In regard to the Purchase Order, Purchaser Furnished Property may also be designed and/or manufactured by the Supplier, in accordance with current legislation in force. The total price shown on the Purchase Order includes payment for these Purchaser Furnished Property which thereby become the property of the Purchaser or of the customers or the Purchaser. The Purchaser Furnished Property are identified and marked as such in accordance with the conditions specified by the purchaser.
- 17.3 An inventory of the Purchaser Furnished Property shall be compiled by the Supplier. It shall be kept up to date and transmitted to the Purchaser upon each change.
- 17.4 For the Purchaser Furnished Property which it produces or has produced by others, the Supplier provides the Purchaser with the specifications, design drawings and plans and, generally speaking, all particulars relevant to the design, manufacture, implementation and maintenance of the said Purchaser Furnished Property. These

documents must be stamped exclusively with the wording below or, failing that, with the wording specified in the Purchase Order: *“This document is the property of Aerospace Propulsion Products B.V. (date of issue); it may not be communicated to any third parties and/or reproduced without its written authorization. Its contents may not be disclosed.”* These documents must be delivered as soon as they are prepared or no later than on the Purchaser Furnished Property being put into service. The Supplier shall manage the documents to comply with changes in the Purchaser Furnished Property and deliver all such updates to the Purchaser.

17.5 The Supplier is the keeper of and is entirely liable for all the Purchaser Furnished Property that are required to carry out the Purchase Order. In this capacity, it shall bear all costs arising from the following obligations, unless provided otherwise in the Purchase Order:

- (a) keeping and maintaining the Purchaser Furnished Property in perfect working condition and state of preservation as well as checking and/or calibrating them periodically according to their type and the standards and requirements which apply thereto,
- (b) replacing any Purchaser Furnished Property that are missing subsequent to their deterioration or loss,
- (c) replacing the Purchaser Furnished Property which present abnormal or excessive wear and tear,
- (d) on expiry of the Purchase Order and once the warranty period has expired, returning them to the Purchaser on first request within eight days, in perfect working order.

17.6 The Purchaser Furnished Property remain at the Supplier’s disposal in its premises solely for the purpose of carrying out only those Works that are the subject of the Purchase Order placed by the Purchaser. Any change of location of the Purchaser Furnished Property and/or any use other than that specified in the Purchase Order shall be subject to the prior written consent of the Purchaser. The Supplier undertakes to store the Purchaser Furnished Property belonging to the Purchaser or to its customers in specific premises and not to dispose of all or part thereof without the prior written agreement of the Purchaser.

17.7 In the event the Supplier has a right of retention over the Purchaser Furnished Property by operation of the law, it hereby expressly renounces this right of retention.

17.8 If modifications or adjustments are needed to be made to the Purchaser Furnished Property by the Purchaser for the Supplier to use them, these may only be done with the written authorization of the Purchaser who shall define the condition in which the Purchaser Furnished Property thus modified are to be returned to it.

## **ARTICLE 18 MANAGEMENT OF RAW MATERIALS - PARTS AND EQUIPMENT**

18.1 Raw materials, products, parts and equipment supplied to the Supplier by the Purchaser or by the Purchaser’s customer.

The definition of requirements for the Works entrusted to the Supplier shall be established and regularly updated by the Purchaser. Reject rates shall be determined by mutual agreement between the Purchaser and the Supplier. However, the

Purchaser may at any time request supporting evidence of material usage from the Supplier.

The Supplier shall use the raw materials, parts and equipment supplied by the Purchaser for carrying out the Works. The Supplier undertakes not to draw from its own stocks for any raw materials, parts and equipment necessary to carry out the Purchase Orders. However it may do so exceptionally with the prior written consent of the Purchaser which, in this case, undertakes to replace or pay the Supplier at cost price for the raw materials, parts and equipment used, and the Supplier shall provide a written warranty that the items taken meet the conditions of the Purchase Order.

The Supplier is bound to inform the Purchaser of all rejects as soon as these occur and to identify them physically.

- (a) In the case where items are rejected as being faulty after delivery to the Supplier, the corresponding replacement is at the charge of the Purchaser, being drawn either from the stocks it holds, or from those held at the Supplier's premises and in the latter case, with the agreement of the Purchaser.
- (b) In the event of rejects caused by the Supplier's negligence and not taken into account in the reject rate defined by the Parties, and unless authorized otherwise by the Purchaser, the rejects must be kept by the Supplier pending a decision by the Purchaser, in such conditions as to avoid any deterioration, confusion or substitution. The Supplier shall bear the financial burden arising from replacing the rejected items, calculated on the basis of the cost of the procurements plus consignment costs and, as the case may be, plus the cost of any works and time already spent by the Purchaser on the said procurements.
- (c) In all cases, rejects returned to the Purchaser shall be the subject of a special delivery note. Satisfactory parts and rejected parts must not be enclosed in the same packaging.

Where the Supplier loses raw materials, parts and equipment supplied by the Purchaser or its customer, replacing the lost elements is at the Supplier's charge in the financial conditions specified at Article 22.1 of the APP PC.

#### 18.2 Raw materials, products, parts and equipment provided by the Supplier

The raw materials, parts and equipment supplied by the Supplier must meet the conditions of the Purchase Order (including technical specifications), as well as current standards, directives, laws and regulations in force. The Supplier undertakes to provide the Purchaser and customers of the Purchaser with raw materials, parts and equipment that contain no products prohibited by law, in any form whatsoever. The Supplier undertakes to give the Purchaser written confirmation, with a certificate from

the relevant authorities if necessary, that the raw materials, parts and equipment contain no products prohibited by law, in any form whatsoever.

18.3

The Supplier undertakes to:

- a) implement all the measures necessary, in establishing its supply chains, so as in particular the following materials and equipment:
  - tantalum,
  - tin,
  - tungsten,
  - gold,do not originate from a country within an area of conflict and high risk, and
- b) provide, when asked, information on the said supply chains.

## **ARTICLE 19 FORCE MAJEURE**

In the event of force majeure, the Supplier shall inform the Purchaser within five (5) business days of its occurrence, specifying the corrective measures envisaged and the estimated duration of the force majeure event.

Notification of force majeure to the Purchaser shall suspend performance of the obligation rendered impossible for the duration of the event. Neither Party shall be liable for any indemnity or penalty as result thereof, and contractual deadlines shall be extended by a period corresponding to the duration of the force majeure.

Unless otherwise agreed between the Parties, if the force majeure event lasts for more than one (1) month, the Purchaser may terminate the Purchase Order in accordance with Article 20.2 APP PC.

During the force majeure event, and subject to prior notice to the Supplier, the Purchaser shall be entitled to replace the Supplier or to appoint a third party as a substitute.

## **ARTICLE 20 TERMINATION - SETTLING THE PURCHASE ORDER**

20.1

Termination for Default

If the Supplier breaches these APP PC or the Purchase Order, the Purchaser may terminate all or part of the Purchase Order for default by giving written notice of termination, provided that the Supplier has failed to remedy the breach within fifteen

(15) calendar days after receipt of a formal notice to cure. Such termination shall be without prejudice to the Purchaser's right to claim any compensation and damages.

In the event of such default, the Purchaser shall be entitled to replace the Supplier or appoint a third party to perform all or part of the remaining part of the Works.

For the purpose of such substitution, the Supplier shall grant to the Purchaser and/or the substitute third party all intellectual property rights held by the Supplier that are necessary to continue and complete the Works.

## 20.2 Termination for Convenience

The Purchaser may, at any time and without any fault on the part of the Supplier, terminate all or part of the Purchase Order by giving thirty (30) calendar days' prior written notice.

In addition, if, through no fault of the Supplier and despite the Supplier having taken all reasonable measures:

- any of the Supplier's certifications are suspended, withdrawn, not renewed, or invalidated; or
- any export license relating to the Deliverables is suspended, withdrawn, not renewed, or invalidated,

the Purchaser may terminate all or part of the Purchase Order with immediate effect by written notice.

In the event of such termination, and unless otherwise provided in the Purchase Order, the Purchaser shall pay the Supplier:

- (i) the contract price for the part of the Works that was delivered and accepted, or in the process of being delivered, as of the date of termination;
- (ii) a fair and reasonable price for the part of the Works that is in the course of manufacture, excluding those which the Supplier, with the Purchaser's agreement, elects to retain.

In no event shall the Supplier be entitled to receive more than its documented costs incurred in accordance with the contractual delivery schedule, nor an amount greater than what it would have been entitled to had the Purchase Order been fully performed.

## 20.3 Procedures for termination of the Purchase Order

Upon receipt of notification of termination, the Supplier halts all operations connected with the cancelled Purchase Order, both in its own workshops and those of its own suppliers and/or subcontractors. The Supplier shall send the Purchaser a report on the progress of the Purchase Order without delay, accompanied by all documents justifying the expenditure incurred by the Supplier, as at the date of termination and the amount of money already paid by the Purchaser. The Supplier undertakes to return

the Purchaser Furnished Property by the Purchaser or its customers and/or procured under the Purchase Order, to the premises of the Purchaser.

## **ARTICLE 21 CIVIL LIABILITY OF THE SUPPLIER**

21.1 The Supplier shall be liable for damages incurred in connection with the Works, and for all consequences which may be legally imposed on him.

In particular, the Supplier shall be responsible for:

- (i) the consequences of the acts and omissions of its personnel, its agents or subcontractors,
- (ii) damages to existing works or installations and to property belongings of the Purchaser or third parties,
- (iii) accidents or damages occurring in connection with the Works caused by its personnel (or by equipment made available by the Purchaser), except for the wilful misconduct of the Purchaser's personnel or to defects in such equipment directly attributable to the Purchaser,
- (iv) any damages caused as a result of its Works, Products, Components or Manufacturing and, more generally, for all consequences which may be legally attributable to it.

21.2 The Supplier is accountable for the waste it produces up until its complete disposal. The intervention of a third party does not reduce the Supplier's liability. The transport, storage and elimination of such waste and more generally all intermediary operations must comply with the regulations and standards in force, at the Supplier's cost, without further charge being billed to the Purchaser. The Supplier shall comply with the rules and regulations in force on products at the end of their life. The Supplier shall carry out the Purchase Order to comply with legislative and regulatory provisions and current regulations and standards in force insofar as concerns the environment. As such, it shall take all necessary measures to prevent any environmental accident and/or pollution. The Supplier shall be liable for any pollution which results from the performance of the Purchase Order.

## **ARTICLE 22 INSURANCE**

The Supplier is bound to take out insurance cover in particular against the following risks:

22.1 Damage to Purchaser Furnished Property

The Purchaser relieves the Supplier of all liability over and above € 150,000 per claim for the Purchaser Furnished Property by the Purchaser, except in cases of malicious intent, gross negligence, inexcusable fault or wilful misconduct attributable to the Supplier. It is the responsibility of the Supplier to insure the Purchaser Furnished Property for up to this amount (or for their actual value if this is lower than the above threshold). This insurance shall cover the Purchaser Furnished Property against all insurable risks or damage for their as-new value. However, if the Supplier has cover

exceeding the above amount, it undertakes to advise the Purchaser thereof and not to reduce its coverage.

On penalty of losing all rights under this paragraph, the Supplier undertakes to have means for the prevention, protection and fighting fire and explosions in its workshops adapted to its risks, that meet applicable fire safety standards.

For all lifting or handling equipment, pallet trucks, self-propelling trolleys, forklift trucks etc, placed at the disposal of the Supplier by the Purchaser and for any vehicle lent by the Purchaser, the Supplier shall take out an insurance policy covering (i) third-party liability in accordance with applicable law, and (ii) shall remain responsible for any damage caused to such equipment or vehicles.

#### 22.2 Professional Public Liability for Work at the Purchaser's premises

The Supplier shall provide evidence of having taken out and effectively paid the premiums of public liability insurance covering direct and indirect loss and damage caused to the Purchaser due to the presence of the Supplier's agents and employees within the Purchaser's premises. Such insurance shall provide for cover of at least € 1,000,000 per claim in the event of damage to property and other assets and consequential damage; above the said sum the Purchaser's insurers will not exercise any recourse against the Supplier. Any malicious act, gross negligence or wilful misconduct shall deprive the Supplier of the benefit of the waiver described above. If the Supplier has cover in excess of € 1,000,000, it undertakes to advise the Purchaser thereof and not to reduce its coverage.

#### 22.3 Miscellaneous

The Supplier shall notify the Purchaser of any loss or damage within twenty-four (24) hours of its occurrence, it being understood that any forfeiture of insurance coverage resulting from the Supplier's fault shall obligate the Supplier to bear the full cost of the loss.

The Supplier undertakes to obtain from his insurers their complete adherence to the above-mentioned provisions.

Upon request by the Purchaser, the Supplier shall send to the Purchaser the insurance certificates corresponding to all the policies subscribed and justify the payment of the premiums.

### **ARTICLE 23 INTELLECTUAL PROPERTY**

#### 23.1 Background Rights

Each Party shall retain the ownership of its background intellectual property rights, generated or acquired independently and/or prior to the date of signature of the Purchase Order, subject to any rights of third parties (hereinafter "Background Rights"). The Supplier grants the Purchaser a right to use, reproduce, represent, adapt, modify and translate over its Background Rights that are necessary to implement the

Results. The price of this assignment is included in the price of the Purchase Order as a lump-sum.

## 23.2 Ownership of the Results

The Purchaser acquires the full and exclusive ownership of the Results generated during the performance of the Work by the Supplier according to the following provisions.

### 23.2.1 Author's Rights

The Supplier hereby grants to the Purchaser as and when payments are made under the Purchase Order, all the copyright and intellectual property rights over the Results (including software and databases) for the whole period of legal protection of the intellectual property rights worldwide. This price of this assignment is included in the price of the Purchase Order.

In this capacity, the Purchaser acquires the rights to use, reproduce, represent, adapt, modify, translate, distribute, work on commercial grounds, without limitation, over all or part of the Results on any medium whatsoever, for the period of legal protection of the intellectual property rights worldwide. It may also assign or sub-license all or part of these rights to a third party.

### 23.2.2 Industrial property

In the case where the Works lead to Results eligible for industrial protection, only the Purchaser is entitled to file an application for an industrial property title over the said Results, in its name, for its account and at its expense.

In this respect, the Supplier undertakes not to file any application for an industrial property title over the Results. To this effect, the Supplier undertakes that each of its servants, agents and/or employees cited as inventor shall carry out all the formalities necessary to enable the industrial property title to be lodged in accordance with the terms and conditions defined in this article.

### 23.2.3 Trademark

The Purchaser is the sole owner of all trademarks, names, signs, logos, colours, graphics or any other signs which may be generated in performance of the Purchase Order, whether their creation is intentional or not.

## 23.3 Infringement

The Supplier warrants peaceful enjoyment of the intellectual property rights transferred to the Purchaser pursuant to the Purchase Order, and in particular agrees to hold the Purchaser harmless against all third party claims on grounds of intellectual property over the Works it delivers, and shall be liable for all consequences and financial claims that the Purchaser might suffer as a result. In addition, the Supplier shall at his own expense, either (1) obtain the right to continue to use the Results of the Works, (2) replace or modify the Works so that they no longer constitute an infringement while ensuring they still retain the functions initially specified by the Purchaser, or (3) if the above is difficult to achieve, take back the Works and replace

them with equivalent works defined by the Supplier in agreement with the Purchaser, without prejudice for the Purchaser to make a claim for damages.

23.4 All the stipulations in this ARTICLE 23 shall be flow-downed by the Supplier to its co-contractors, subcontractors and/or suppliers.

## **ARTICLE 24 CONFIDENTIALITY**

### **24.1 Definition of Confidential Information**

All technical, commercial, financial, or other information disclosed by either Party to the other Party in any form ("Confidential Information") shall be deemed strictly confidential, whether or not marked as such. Confidential Information shall remain the exclusive property of the disclosing Party.

### **24.2 Obligation of Confidentiality**

Each Party shall take all necessary measures to protect the Confidential Information and shall not use it for any purpose other than performance of the Purchase Order, without the disclosing Party's prior written consent. Each Party shall ensure compliance with this obligation by its personnel and by the personnel of its suppliers and subcontractors who have a strict need to know such information for the performance of the Deliverables.

### **24.3 Exceptions**

The obligations set out in this Article shall not apply to information which the receiving Party can demonstrate:

- (a) was already in its lawful possession prior to disclosure by the disclosing Party;
- (b) is or becomes publicly available without breach of this Agreement;
- (c) is lawfully disclosed to the receiving Party by a third party not bound by a duty of confidentiality; or
- (d) must be disclosed pursuant to a legal or regulatory obligation or by order of a competent authority, provided that the receiving Party gives prompt written notice to the disclosing Party to the extent legally permitted.

### **24.4 Duration**

The confidentiality obligations under this Article shall remain in force for a period of ten (10) years following the normal or early termination of the Purchase Order.

### **24.5 Return or Destruction**

Upon completion or termination of the Purchase Order for any reason, each Party shall promptly return all Confidential Information to the disclosing Party, or, if so authorised in writing by the disclosing Party, destroy it in whole or in part, and shall not retain any copy thereof.

All technical materials, including but not limited to drawings, plans, specifications, mock-ups, prototypes, test models (including any parts, blocks, or fixtures manufactured solely for testing or adjustment purposes, such as calibration or milling tests), tooling, software, and any other items provided by the Purchaser or developed by the Supplier in performance of the Works, shall be considered Confidential Information under this Article. Upon completion or termination of the Purchase Order, or at any time upon the Purchaser's written request, the Supplier shall, at the Purchaser's option, either return all such materials to the Purchaser or permanently destroy them and provide written certification of such destruction. The Supplier shall

not retain any copy, reproduction, or derivative of such materials, whether in physical, digital, or any other form, without the Purchaser's prior written authorization.

24.6 Third-Party Information

Where Confidential Information communicated by either Party belongs to a third party, the receiving Party shall comply with any stricter confidentiality obligations imposed by that third party.

**ARTICLE 25 SPECIFIC RULES ON EXPORT AND/OR IMPORT**

25.1 The Supplier undertakes to comply with the laws and regulations applicable on export and import controls (hereinafter the "Export Regulations") that might apply to the Works (including its component parts), as well as to any software, information and products which the Parties might deliver to one another within the framework of the Purchase Order.

25.2 At all events, the Supplier states that it has identified and given the Purchaser notice of all the components of its Works which are subject to Export Regulations, as at the date of signature of the Purchase Order. The Supplier undertakes to inform the Purchaser of the export control classification of the Works and undertakes to notify it promptly of any change in status or classification of these Works or their components or of the Export Regulations which apply thereto. The Supplier undertakes to give the purchaser every assistance required to enable it to achieve compliance following such changes and to fulfil any related obligations with the administrations concerned.

25.3 The Supplier is liable for obtaining on time and at no additional costs to the Purchaser all formal approvals, licenses and authorizations required for export, delivery and use of the Work by the Purchaser and/or its subcontractors and co-contractors and their delivery to its customer/end-user as specified in the Purchase Order and their use by said customer/end-user (hereinafter "Export Authorization").

The Supplier undertakes to:

- immediately notify the Purchaser of the issuance of the Export Authorization by the competent government authorities, or the existence of an exemption;
- provide the Purchaser with a copy of the said Export Authorisation with any provisions and conditions associated with this Export Authorisation or a certificate describing in particular the restrictions applicable to re-export or retransfer, by the Purchaser, from all or part of the Works to a third party.
- put in place all necessary measures to avoid the transfer, by any means whatsoever, of information provided by the Purchaser and identified as being subject to the Export Rules, to any person not authorised to access such information and to seek the consent of the Purchaser before the transfer for any instructions. The Supplier shall ensure that the Purchaser's requirements for Export Control are met by its Sub-Contractors at each contractual level.
- clearly indicate on delivery orders, invoices, and each of the controlled plans and documents (electronic or hard copy) and on each delivery the classification number of Export Rules as well as the reference of the Export Authorization applicable to the delivery.

25.4 It is understood that the ability of the Supplier to deliver the Works and associated services to the Purchaser together with all the Export Licences required, constitutes an essential obligation for the Supplier. Under these conditions, the Purchaser

undertakes to provide, upon request of the Supplier, the information and end-use declarations necessary for the examination and the granting of the export authorisations.

- 25.5 In the event that agreements (technical assistance agreement, manufacturing license agreement or other) or application form for Non-Transfer and Use Certificates (“DSP”) are requested by the American authorities, the Supplier undertakes to submit them for validation to the Purchaser.

No Agreement may be terminated without the prior approval of the Purchaser. The Supplier shall provide the Purchaser with a prior notification of sixty (60) days period of time before the expiration of any approval.

- 25.6 In the event that, despite all due diligence, the Supplier is unable to obtain the Export Authorisations, the Supplier undertakes, at no additional cost to the Purchaser and within a delay compatible with the Purchaser’s obligations under its upstream contract, to replace the components or technologies integrated in the Work, with the prior written consent of the Purchaser, without altering the characteristics defined in the Purchase Order.

In the event that an export license is refused, suspended, withdrawn, not renewed or invalidated, including where the Supplier has performed all due diligence required, the Supplier must, without delay, inform the Purchaser in writing, providing the necessary justifications, and the Purchaser reserves the right, without compensation for the Supplier, to suspend the performance of the Work or to terminate the Purchase Order.

In the event that an import authorization required for the importation of the Work by the Purchaser is refused, suspended, withdrawn, not renewed or invalidated, including where the Supplier has performed all due diligence required, the Purchaser shall, without delay, inform the Supplier in writing, providing the necessary justifications, and the Supplier reserves the right, to suspend the performance of the Works or to terminate the Purchase Order as of right. In such a case, however, the Supplier shall reimburse the Purchaser for any sum paid.

- 25.7 The Supplier undertakes to cooperate with the Purchaser in case of action or proceedings by the relevant authorities in regards to export controls. At all events, the Supplier shall be liable for all harmful consequences arising for the Purchaser from the Supplier’s failure to fulfil its commitments under this article.

In the event of a breach of applicable export control laws and regulations due to a default of the Supplier, the penalties and related costs incurred by the Purchaser will be charged back to the Supplier.

## **ARTICLE 26 COMPLIANCE WITH EMPLOYMENT LAW**

- 26.1 The Supplier undertakes to comply with the legal and regulatory obligations in force in the country in which the Works are to be carried out, including in particular those relating to the prohibition of undeclared work and the employment of foreign workers.

- 26.2 The Supplier undertakes to comply with the legal and regulatory provisions relating to the protection of the workforce, health and safety and working conditions. In addition, where performance of the Works requires it to intervene on one of the Purchaser’s

site, the Supplier undertakes to comply with the purchaser's rules on health and safety.

- 26.3 Any work equipment supplied under the Purchase Order shall comply with all applicable laws, regulations, and recognised health and safety standards in force at the time of delivery, including (where applicable) CE marking or equivalent conformity markings.

## **ARTICLE 27 ETHICS AND SOCIAL RESPONSIBILITY – PERSONAL DATA PROTECTION**

- 27.1 The Supplier acknowledges having read and understood the Supplier Ethics Charter of the Purchaser, published on the group website ariane.group. The Supplier undertakes to comply with all the provisions in force on the date of signature of the Purchase Order and, as such, to put in place in each country where it operates, at the latest on the date of signature of the Purchase Order, measures for itself, its staff, its subcontractors and its suppliers to comply with the applicable rules concerning, economic sanctions, fight against corruption, anti-competitive practices, respect and protection of persons, protection of personal data and protection of the environment. Compliance with these provisions constitutes an essential obligation of the Supplier and is a criteria for its selection.

The Purchaser reserves the right to carry out any useful verification, including audits, to verify compliance with this article by the Supplier. Failing to provide the necessary justifications or in the event of non-compliance with these obligations, the Purchaser reserves the right, without compensation for the Supplier, to suspend the performance of the Work or to take any appropriate action.

- 27.2 In compliance with legal and regulatory obligations, the Parties undertake to process the personal data that they may receive, or be given access to in the frame of the execution of the Purchase Order, as confidential, and commit not to disclose or communicate them to any third party. The Parties undertake to take all useful and necessary precautions to preserve the security of the above mentioned personal data in particular so as to prevent them from being deformed, damaged or transmitted to any unauthorized persons.

In any case, the personal data that a Party may receive, or be given access to in the frame of the execution of the Purchase Order cannot be disclosed to any third party outside of the European Union without prior written authorization from the disclosing Party.

## **ARTICLE 28 CORRESPONDENCE**

All correspondence of a contractual nature must be sent to the Purchasing Department of the Purchaser, whose representative is designated on the Purchase Order. Invoices and assimilated documents (in particular provisions, deposits, credit notes) shall be addressed to the Purchaser's accounts department specified on the Purchase Order.

## **ARTICLE 29 ASSIGNMENT AND TRANSFER - MODIFICATIONS IN SUPPLIER'S LEGAL SITUATION**

- 29.1 The Purchase Order is awarded in consideration of the Supplier and may not be transferred or assigned, in whole or in part, to any third party without the Purchaser's

prior written consent. The Supplier shall notify the Purchaser in advance of any change in its shareholding structure or any direct or indirect change of control. In such event, the Purchaser may terminate the Purchase Order for convenience, without fault of the Supplier, in accordance with Article 20.2 of these APP PC.

29.2 The Supplier undertakes to inform the Purchaser by registered letter with acknowledgement of receipt of:

- (i) any alert or warning issued by its statutory auditors, employee representatives, shareholders, or any competent body concerning the Supplier's financial situation;
- (ii) any petition, filing, or request by the Supplier to initiate restructuring, reorganisation, insolvency, or bankruptcy proceedings, or for the appointment of an administrator, receiver, or similar officer; and
- (iii) any declaration, filing, or other step by the Supplier indicating suspension of payments or inability to meet its debts as they fall due.

**ARTICLE 30      RESERVED**

**ARTICLE 31      RESERVED**

**ARTICLE 32      LANGUAGES**

In the event of conflict between the English-language version of these APP PC and any other versions in another language, the English-language version shall prevail.

**ARTICLE 33      GOVERNING LAW AND SETTLEMENT OF DISPUTES**

33.1 These APP PC, the Purchase Order and the relations between the Parties are governed by Dutch law, and exclude the application of the Convention of Vienna on the International Sale of Goods.

Any dispute between the Purchaser and the Supplier that cannot be resolved amicably within one (1) month of notification shall, at the Purchaser's option:

- if the Supplier has its registered office within the European Union, be submitted to the exclusive jurisdiction of the competent courts of Amsterdam, the Netherlands, notwithstanding multiple defendants or third-party claims; or
- if the Supplier has its registered office outside the European Union, be finally settled by arbitration under the Rules of Arbitration of the International Chamber of Commerce. The place of arbitration shall be Amsterdam, the Netherlands, the language of the proceedings shall be English, and the tribunal shall consist of one or more arbitrators appointed in accordance with the said Rules. The arbitral award shall be final and binding on the parties, notwithstanding multiple defendants or third-party claims.