



General Conditions of Purchase KMWE Aerospace B.V.
with its registered office and principal place of business in Eindhoven, the Netherlands

1. Orders, agreements relating thereto, modifications thereof and additions thereto will be binding upon us if they have been placed or confirmed as the case may be in writing by our Purchasing Department. Execution of said orders and agreements shall take place solely on the basis of these General Conditions of Purchase. Any reference to the general conditions of the supplier is hereby expressly rejected by us.
2. Unless otherwise agreed in writing the delivery condition "ex works" shall apply. Where terms are applied which are included in the latest edition of the Incoterms the latter shall be applicable thereto.
3. Unless expressly agreed upon otherwise, such as in case of CIF- or CIP delivery conditions, the risk of transport from warehouse to warehouse shall be covered by us for our account.
4. The supplier shall execute the order at the time or times agreed upon. In the event of early execution of all or part of the order, which is permitted only with our prior written approval, payment will nevertheless be effected as if the initially agreed time(s) had been adhered to.
5. The supplier guarantees that all the goods delivered are fit for the purpose for which they are destined, provided that either he has been informed of such purpose or the same was otherwise reasonably known to him, and that the goods are in conformity with the agreed specifications and approved samples and further that the goods are of sound workmanship, of good quality and free from faults in construction, manufacture and material, and further that the goods and their performance shall satisfy mandatory regulations relating to inter alia health, safety, the environment and electromagnetic interference, valid in the country for which the goods are destined if this destination was communicated to him or was otherwise reasonably known to him. Where the order provides for installation, assembly, commissioning or any other work to be carried out by the supplier the same shall be executed with good workmanship. The supplier shall execute the work with an adequate or the agreed number of persons and quantities of materials, component parts, equipment and tools of adequate or the agreed qualifications or quality as the case may be. The supplier guarantees that the work shall be executed in accordance with the agreed requirements and that the results intended to be achieved according to the order will be met.
6. We shall be entitled to inspect the goods intended for delivery to us in the factory of the supplier. Such inspection does not imply delivery, taking-over or acceptance of those goods. The goods remain for the account and at the risk of the supplier until the risk has passed to us in accordance with the agreed terms of delivery.
7. We shall be entitled to inspect the goods upon their arrival at the ultimate place of destination and upon completion of any installation, assembling, erecting, commissioning or other work to be carried out pursuant to the order within a reasonable period after receipt of the supplier's notice of their completion in order to ascertain whether the agreed requirements, particularly those specified in point 5, are complied with. In case of shortcomings which we could not reasonably discover or which could not have been discovered during a thorough inspection, we shall still be entitled to reject the goods even after expiration of the said reasonable period taking into account the provisions as set forth herein below. In the event of rejection, we shall inform the supplier as soon as possible in writing thereof, giving the reason which lead to the rejection. At our discretion, rejected goods will be returned by us to the supplier or retained by us until the supplier has given us further instructions as to their disposal. Rejected goods will be for supplier's risk as from the moment of dispatch of the notice of rejection to the supplier. From the date of dispatch of said written notice to the supplier the property in the goods shall pass to the supplier. The supplier shall repay to us on our first demand,



without delay and without any deduction, all amounts prepaid by us relating to the goods, or works or services rejected.

8. Unless otherwise agreed in writing, payment shall be effected after the order has been duly executed and after receipt of the relevant invoice in accordance with the agreed payment terms unless we have objected to the way in which the order has been executed. Payment shall be without prejudice to any of our rights.

9. We shall be entitled to offset amounts due by us to the supplier, with amounts due by the supplier (and/or other companies being part of the same group) to us (and/or to other companies being part of the same group). Where, in the event of offset, amounts are quoted in different currencies we shall decide in which of these currencies the offset shall be effected. Conversion shall be effected at the rate of exchange valid at the due date of payment of the relevant invoice(s).

10. By means of a written statement the supplier shall transfer to us the property in all items such as models, dies, moulds, jigs, gauges, tools and drawings specifically acquired or manufactured by the supplier for the execution of our order immediately upon the same having been supplied to him or the manufacture by him having been completed. Where the supplier acquires such items from third parties we shall pay the supplier if this has been agreed but only after the supplier has produced evidence that he has fully paid therefore. The supplier shall retain such items on loan from us. All such items including materials and components which we put at the supplier's disposal for the execution of our order will remain our property under all circumstances. We reserve at all times and under all circumstances the right to take them back whether or not the same have been processed and/or used by the supplier against reimbursement of processing costs, if due by us. The supplier shall store such materials and components separately and he shall clearly mark all such other items as our property. He shall inform any third parties who might seek recourse thereon of our proprietary right, he shall immediately inform us of such an eventuality. The supplier shall not use such items nor will he allow them to be used by or on behalf of third parties for or in connection with any purpose other than the execution of our order.

11. Where the order provides for installation assembly, commissioning or any other work to be carried out by the supplier, the same shall be carried out at his cost, expense and risk, either by himself or by any third parties on his behalf, the latter however being subject to our consent. In case the supplier intends to use any third parties for the execution of the order he will inform us thereof without delay. The supplier shall take all precautions necessary to ensure that the work is carried out in accordance with mandatory and other regulations applicable where the same is carried out and, to the extent we are not co-responsible therefor, he shall be liable for injuries and damages to persons and property inflicted as a result of the said work. The supplier shall secure at his own expense, all insurances necessary to indemnify us for all damages, costs and claims resulting from any negligence or act or omission on the part of the supplier, the abovementioned third parties and persons used by the supplier and such third parties and shall produce satisfactory evidence thereof on demand.

12. The supplier shall indemnify us against all fines, losses, damages, costs and expenses arising from any actual or alleged utilization of any patent, patent application or other industrial or intellectual proprietary rights as a result of the use, processing, sale, storage or lease of the goods except to the extent that the same is the result of adaptations made by the supplier to comply with our specific design requirements.



13. Where pursuant to our order goods are to be provided with one or more trademarks owned by us or with trademark(s) which we are entitled to apply or to have applied the supplier shall not in any way by implication or otherwise claim any title to such trademark(s) or similar or related trademark(s). Only goods so ordered by us shall have such trademark(s) applied to them. The supplier shall adhere to our instructions with respect to dimensions, positioning and other aspects related to said trademark(s).

14. When offering for transport or transporting dangerous goods the supplier shall strictly adhere to statutory provisions and provisions of international treaties, conventions and agreements relating to transport of goods applicable in the countries (to be communicated by us or otherwise reasonably known to the supplier) where the goods will be transported. The supplier shall provide us with such written information regarding the composition of dangerous goods so that transport, warehousing and processing thereof may be effected in compliance with the relevant provisions of laws, international treaties, conventions and agreements applicable in the countries referred to in the foregoing paragraph. The supplier will not be released from his obligations under this point 14 by relying on information provided by us regarding the abovementioned provisions.

15. All data and information obtained from us whether verbally or in writing shall be applied by the supplier for the execution of our order(s) only. All such data and information shall remain our property and if in written form shall be returned to us immediately upon our first request, together with all copies thereof. All data and information shall be kept in strictest confidence by the supplier and he shall not refer thereto nor to the fact that he supplies or has supplied us in any publications, advertisements or other verbal or written form unless with our prior written approval.

16. Failure by the supplier to perform within the agreed time or times, to adhere to the agreed quantities, to fulfil the requirements pursuant to point 5 hereof or otherwise to perform any of the obligations pursuant to this order and agreement(s) relating thereto shall entitle us at our option:

- a. to give the supplier the opportunity to remedy his failure within a period of time to be fixed by us, or
- b. to cancel the order at our option wholly or partially without notice of default by means of a written notice; we shall also be entitled to cancel the order in the same manner in the event that the supplier shall not have remedied his failure within the period of time fixed by us in accordance with point 16 a, above, provided always that we shall be entitled to be indemnified by the supplier for all losses, damages, costs and expenses including fines which we may incur directly or indirectly as a result of such failure.

17. Our failure to insist on the supplier's compliance with any of his obligations shall not be construed as a waiver or relinquishment of our right at any time to invoke strict compliance with such obligations.

18. This order and agreements relating thereto shall be governed and construed in accordance with Dutch Law.

19. The UN Convention on international Sale of Goods shall not apply.

20. All disputes arising out of this order and agreements relating thereto shall be determined only by the competent courts in The Netherlands.

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