

General Terms and Conditions of Purchase

This version of these standard Terms and Conditions is a translation from Dutch. In case of discrepancies or in case interpretation is needed, the Dutch version will prevail.

Innovating together, executing projects and sharing and developing competences; to be able to stay successful in today's complex and rapidly changing world, Airbus Defence and Space Netherlands consciously chooses for cooperation with other companies and organizations. Only in this way we can utilize our full potential.

We believe that a good cooperation starts with clear and fair arrangements. Therefore we have set up the way we contract as easy as possible. In that ambition, we have phrased our General Terms and Conditions simpler and less legal, we have made it more accessible and have applied visualizations. For example at the end of the document the obligations and rights of the parties can be seen at a glance. We strive to provide better insight in the different aspects of the agreement and to simplify the management of an agreement. By presenting our General Terms and Conditions in this transparent form we anticipate to make your life easier, to further improve our cooperation and to expedite the contracting. After all, time is money.





We are open to feedback. Things can surely always be improved, made more efficient or faster. And that is what we are after. If you have any questions or suggestions about our approach, please feel free to address this with your point of contact within Airbus Defence and Space Netherlands.

Issue 1
Leiden, 8 December 2016

Defined terms

Agreement	All arrangements between Parties with regard to requests (for offers), offers/tenders, orders, (purchase) orders and agreements in which Airbus DS NL is, or will be, the purchaser of Goods and/or Services.
Airbus DS NL (us)	Airbus Defence and Space Netherlands B.V. in Leiden, also referred to as 'we', 'us', 'our', 'ours'.
Employee	Personnel employed by a Party and personnel employed by third parties engaged by this Party, including hired personnel and personnel of (sub)contractors.
Force Majeure	Each circumstance independent of Parties' intentions that prevents performance of the Agreement, such as (threat of) war, civil war, riots, industrial actions entirely beyond the Parties' control and (environmental) disasters.
General Terms and Conditions	These General Terms and Conditions of Purchase.
Goods	All physical objects subject to human control, including the materials and parts available to this aim and accompanying work. Software is also considered as a Good.
Parties	Airbus DS NL (us) and the Supplier (you).
Services	The services and/or work to be performed by you on behalf of us.
Supplier (you)	The counterparty to us in the Agreement, also referred to as 'you', 'your', 'yours'.



Icons

	Records: This icon highlights sections which cover record-keeping requirements. Record-keeping requirements are summarised at the end of these General Terms and Conditions.
	Communications: This icon highlights sections which state the need for one of the Parties to communicate information. Communication requirements are summarised at the end of these General Terms and Conditions.
	Requirement to agree or approve: This icon highlights sections which state the need for both Parties to come to agreement or where our approval is required. Requirements to agree or approve are summarised at the end of these General Terms and Conditions.
	Further explanation in a graphic: This icon gives the number of the graphic, which can be found at the end of these General Terms and Conditions.

1 Applying these General Terms and Conditions


1.1	All future Agreements	These General Terms and Conditions apply to all (future) Agreements between you and us.
1.2	Work already done	These General Terms and Conditions apply to all work that has already been performed before the Agreement was entered into.
1.3	Only our Terms and Conditions apply	We expressly reject any of your special, general or payment terms.

2 The Agreement




2.1	Confirmation of Agreement within 14 days	<p> You must confirm any Agreement in writing within 14 calendar days after it was sent.</p> <p>We can revoke an Agreement if you fail to do so.</p>
2.2	Changes to the General Terms and Conditions	<p> Any changes to these General Terms and Conditions or the Agreement, including additions and deletions, will only apply after we have agreed to them in writing.</p>
2.3	Your offers are binding	All offers made by you or on your behalf are binding and irrevocable.

3 Your Employees


3.1	Schedule and location	The schedule, delivery dates and location where the work will be performed are specified in the Agreement.
3.2	Safety, security and other regulations	You must instruct your Employees to follow all of our guidelines, regulations, standards and instructions.
3.3	Background checks	We have the right to set up background checks and security screening of your Employees.
3.4	If we wish to replace one of your Employees	<p>We have the right to require you to replace any Employee within 3 working days with another Employee with equivalent qualifications at your expense.</p> <p>As an alternative to replacement, we can terminate the Agreement in its entirety, or the part that relates to the Employee.</p>
3.5	Status of your Employees	Your Employees do not represent us and are not employed by us. You and we remain separate Parties that operate independently from each other.



3.6	Social insurance and tax	<p>You must fulfil your legal obligations regarding social insurance and tax.</p> <p> We can ask you to show us evidence that you are complying, including payment records.</p>
3.7	G account	<p>We can require you to open a G account with a financial institution approved by us. All payment will be made to this account.</p> <p>A G account is a blocked account used in the Netherlands, from which tax and social security premium payments are made.</p>

If your Employees are working on our site


3.8	Workspace	We will provide workspace and office facilities.
3.9	Possible disruption	<p>You must ensure that your work does not cause nuisance, hindrance or obstruction to us, our Employees or third parties.</p> <p> If disruption is inevitable, you must warn us in advance and try to minimise the disruption.</p>
3.10	Working hours	<p>Normal working days are 08.30 hours until 17.00 hours.</p> <p>If we agree a daily rate, this is for a working day of 8 hours, and excludes travel time and breaks.</p>
3.11	Overtime	<p> Overtime can only take place with our express approval. We can attach conditions to this approval.</p>
3.12	Holidays	<p> We must be consulted about holiday arrangements for your Employees.</p> <p>Your Employees must not work at our locations on public or collective holidays that apply to our personnel.</p>

4 Conformity



4.1	Regulations and standards	<p>You guarantee to comply with all applicable legislation and regulations, local rules, regulations and/or standards, amongst which:</p> <ul style="list-style-type: none"> • REACH • RoHS • WEEE • The regulatory framework for CE markings • ISO 9001 • ISO 14001:2004
4.2	Alterations	<p> You must get prior approval from us if you wish to alter</p>

	the use of materials, production of Goods and/or the production methods established by us.
4.3	Export regulations  If any Goods use a technology that falls under export regulations of a country, you must inform us of this and act in accordance with our instructions.
4.4	Permits and exemptions  You are responsible for arranging all required permits and exemptions at your own expense and in a timely manner, such as export licenses.
4.5	Taxes, levies, etc. You are responsible for paying all taxes, levies, duties and costs levied by an authority.
4.6	Our Supplier Code You must comply with the Supplier Code of the Airbus Group (Growing Together) and all related documents.


5 Extra work



5.1	Only with written instructions from us  You should only do extra work following written instructions from us. If we have not provided written instructions, we will not be obliged to pay for the extra work and the original delivery period will continue to apply. Work that you ought to have foreseen when the Agreement was made, or which is the result of a shortcoming on your part, will never constitute extra work.
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6 Administrative records



6.1	You must keep good records  You must keep good records of all aspects of the project, including timesheets and costs. You must give us these records if we request them, so we can audit the quality of your records, and the accuracy of your invoices or have them audited.
6.2	Time and material invoicing  If the Agreement is for time and material invoicing, you must inform us when the costs or working hours are close to 80% of the agreed costs or working hours.

7 Prices, rates and payment

7.1	Prices are fixed The prices are fixed and apply in the agreed currency, including all costs and duties related to the fulfilment of your obligations, excluding VAT.
7.2	Acceptance form and timesheets  When you invoice us, you must attach a copy of the

	acceptance form signed by us, and/or the timesheet.
7.3	Where to send invoices You must send all invoices to our Accounts Payable Department. Duplicates of an invoice must be designated as such.
7.4	 We will pay you within 45 days after correct invoicing.
7.5	Setting off claims We can set off any claims against amounts to be paid to you.
7.6	 We can return an invoice that is not proper and regard this as not sent.

8 Delivery






8.1	You must follow our delivery instructions We can refuse deliveries that do not fulfil our delivery instructions.
8.2	Financial penalty for late or rejected delivery You will be in default, without the requirement of a notice of default, if: <ul style="list-style-type: none"> You fail to achieve a delivery date, or; We reject or do not accept the Goods or (results of) Services. <p>If this happens you will immediately owe a financial penalty of 2% of the total price of the Agreement (contract price) for each week that the delay continues.</p> <p>The maximum penalty is 10% of the contract price.</p> <p>In addition to the financial penalty/penalties we retain all other rights and/or means of recovery.</p>
8.3	Early deliveries  You must get our written approval if you wish to make a delivery at an earlier time than agreed. In the event of early delivery: <ul style="list-style-type: none"> Any costs will be at your expense, and The original payment obligations will continue to apply.
8.4	Rejection  We will inform you if Goods are rejected. In that event you will repair or replace the Goods at our discretion on your own expense.

9 Inspection


9.1	We can inspect at any time We and our clients can inspect (or have inspected), at your expense: <ul style="list-style-type: none"> the Goods and/or Services; your production method and organisation. <p>You will provide all necessary cooperation and cannot derive</p>
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	<p>any rights from the results of an inspection.</p> <p>You further guarantee that we can also conduct an inspection at third parties engaged by you.</p>
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10 Acceptance


10.1	<p>Acceptance must be in writing</p>	<p>If we receive or pay for Goods and (the results of) Services, it does not mean that we accept them.</p> <p> Acceptance takes the form of a written notification from us to you.</p>
10.2	<p>Acceptance of Goods: inspection</p>	<p>Before we accept Goods we will inspect them to check if they fulfil what we agreed with you.</p> <p> We inspect the Goods within 30 days after delivery or, if this is later, at the time when the Goods are actually used. Inspection can include testing and/or taking samples of the Goods.</p> <p> If we need to, we will inform you of the outcome of an inspection within a period of 30 days.</p>
10.3	<p>Acceptance of Services: timesheets</p>	<p> Before we accept Services we will need to agree your timesheets and/or approve the results or execution of the Services.</p> <p> Submit your timesheets for approval at the end of each calendar month.</p>

11 Warranties

11.1	<p>Reciprocal warranties</p>	<p>Each Party warrants that entering into and performing the Agreement will not infringe any right of, or any obligation towards the other Party or third parties.</p>
11.2	<p>Warranty period</p>	<p> If Parties have not agreed any warranty period, the warranty period will be thirty six (36) months after the date of acceptance of the Goods and/or (the results of the) Services.</p> <p>If no acceptance has taken place, the warranty period will commence from the date of the last delivery of the Goods or (the results of the) Services concerned.</p> <p>For Goods that are processed in installations, systems or other Goods, the warranty period commences at the time of the completion or delivery of these installations, systems or Goods to the ultimate client.</p>
11.3	<p>Suitability for purpose</p>	<p>You warrant that you have taken note of the intended use of the Goods and/or (the results of the) Services and that the Goods and/or (the results of the) Services will be suitable for</p>

	<p>this use.</p> <p>If the Goods and/or (the results of the) Services are not suitable for the intended use, you will immediately inform us of this.</p>
11.4	<p>Conformance and defects</p> <p>You warrant that all Goods and/or (the results of the) Services comply with all that has been agreed. The Goods and/or (the results of the) Services will be free from (hidden) defects, including design defects and errors in manufacture, materials and execution.</p>
11.5	<p>Repair and replacement</p> <p> If Goods and/or (the results of the) Services do not comply with that which has been agreed within the warranty period, you will repair or replace them at your own expense within 7 days. In the case of Services we can require you to perform them again.</p> <p>If you do not fulfil your warranty obligations, we can, at your expense and risk, proceed with the replacement or repair and make use of third parties for this purpose.</p>
11.6	<p>Warranty period for repaired or replaced parts</p> <p>If a part is replaced or repaired, a new warranty period (of the original length) will start for the replaced or repaired parts of Goods and/or (the results of the) Services.</p>
11.7	<p>Burden of proof</p> <p>The burden of proof for whether or not there are errors or defects lies with you. If you can prove that we have intentionally caused the errors or defects, the warranty will not apply.</p>
11.8	<p>The costs of transport, (re)installation, etc.</p> <p>The transport, (re)assembly, (re)installation, (re)inspection, etc. of the defective Goods and/or (the results of the) Services will be at your expense.</p>

12 Indemnity and insurance

12.1	<p>You indemnify us</p> <p>You indemnify us, our Employees and our clients against all claims by third parties related to the performance of the Agreement.</p>
12.2	<p>You must insure against all risks</p> <p>You will take out and maintain sufficient insurance for all risks ensuing from the Agreement and for the risks in your business operations. You hereby assign in advance all claims to payment from insurance proceeds to us, insofar as these relate to damage you are liable for.</p> <p> You will give us proof of insurance when we request it.</p>


13 Force Majeure



13.1	The burden of proof	<p>The burden of proof for demonstrating a Force Majeure situation lies with the Party claiming it. A performance shortcoming is only not attributable to you if you:</p> <ul style="list-style-type: none"> a) immediately inform us of the delay, the expected duration and the consequences; b) do everything possible to avoid further delay (including the engagement of third parties), c) do everything possible to limit the consequences for us, d) ensure that the performance of the Agreement is not endangered.
13.2	If it lasts more than one month	<p>If a Force Majeure situation has lasted longer than one month we can terminate the Agreement without being obliged to compensate you.</p>

14 Intellectual property (IP)

14.1	We own IP developed during the term of this Agreement	<p>All intellectual property rights (including rights to the source code of software) that are developed under the Agreement by one of the Parties, or by the Parties jointly, are exclusively vested in us.</p> <p>Insofar as necessary you will transfer these rights (including the source code) to us and will provide cooperation free of charge to fulfil any formalities related to this.</p>
14.2	You give us unlimited rights to use your other IP used for this work	<p>Other than the intellectual property rights referred to in article 14.1, Parties remain the titleholders of all other knowledge, information and intellectual property rights. You agree to provide us with an unlimited and perpetual right of use to this knowledge, information and intellectual property rights for any purpose.</p>
14.3	You indemnify us against IP claims	<p>You indemnify us, our Employees and our clients against claims by third parties on the basis of (alleged) infringement of intellectual property rights.</p>


15 Ownership and risk

15.1	Ownership	<p> The ownership of the Goods and (results of) Services will transfer to us at the time the Goods and (results of) Services are delivered, or if this is earlier, at the time the Goods or (results of) Services are produced by you. The risk of loss and/or damage will transfer to us at the time of actual delivery to us.</p>
15.2	You must mark our Goods	<p>We can have the transfer of the ownership of ordered Goods take place at an earlier time. In that case you will mark these Goods as recognisable property of us.</p>

15.3	Drawings and designs are our property	The drawings, designs, information, materials and suchlike made on our behalf are the property of us and/or its clients. This includes any variations created by joining, merging and suchlike.
15.4	Our Goods and information	<p>Goods and information delivered by or on behalf of us remain the property of us or a third party.</p> <p>If the delivered Goods are incorporated in new Goods, the new Goods will have been made for us, whereby you will be the custodian of the Goods.</p> <p>You will clearly mark the Goods and information as the property of us or this third party and after receipt will bear the risk of loss, theft and damage.</p> <p>You are not permitted to use the Goods and information for purposes other than those agreed. You are therefore not entitled to pledge the Goods or encumber the Goods or to (improperly) merge or bind the Goods. You are also not permitted to make arrangements that infringe the ownership right of us and you waive any right of retention (“retentierecht”).</p>
15.5	Our right of access to remove our Goods	We are permitted on first request to gain access to the locations where the Goods concerned are situated and to take back, or disassemble or remove these Goods.
15.6	Delivery in the event of termination	In the event of termination of the Agreement, or on our request, you will immediately deliver the Goods to us in the condition in which the Goods were received by you.
15.7	Rights of third parties	 If third parties levy attachment on the delivered Goods and/or want to establish or enforce rights to them, you will immediately inform us.
15.8	Right of pledge	<p>You provide us with the right of first refusal of a right of pledge on all movable Goods that you have or acquire in your possession in the context of the Agreement. Pledging of Goods will take place due to the fact that the Agreement has come into effect. You guarantee your entitlement to establish this right of pledge.</p> <p>Both Parties will register the deed of pledge. The failure to comply with this obligation will not affect the validity of the right of pledge.</p>
15.9	Certification	 If a certificate is necessary for the Goods or information delivered to you, you will ensure that it is always up to date.

16 Confidentiality and non-takeover

16.1	You will maintain confidentiality	You will maintain the confidentiality of all data and knowledge provided to you by or on behalf of us.
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16.2	You cannot use our name without approval	 You are not permitted to use our names in forms of communication and publicity without our prior approval in writing.
16.3	Restriction on employment of our people	You will not employ our Employees or offer employment to them until 1 year after the termination of the Agreement.
16.4	Financial penalty for non-compliance	<p>For each infringement of the obligations referred to in this article, you will owe a financial penalty of 20% of the total price of the Agreement (contract price), with a minimum of € 50,000.</p> <p>This penalty will be immediately due and payable, without the requirement of notice of default and/or judicial intervention.</p> <p>If the infringement continues after notice in writing you will further owe a financial penalty of €500 per week up to a maximum of €150,000. The financial penalty will not affect other rights and/or means of recovery on our part.</p>

17 Duration and termination

17.1	The duration of this Agreement	<p>The Agreement is entered into for the agreed duration or, if there is no agreed term, for an indefinite period.</p> <p>If the duration has been agreed the Agreement will terminate automatically on its expiry.</p> <p>If the Agreement is entered into for an indefinite period of time, termination can only take place if the agreed or statutory notice of termination period is observed or if one Party has a substantial interest and observes a reasonable notice of termination period.</p>
17.2	Termination in the event of bankruptcy or similar events	<p>In addition to the statutory possibilities, each Party can terminate the Agreement, wholly or in part, with immediate effect without judicial intervention and without any obligation for compensation, if the other Party:</p> <ul style="list-style-type: none"> • petitions for bankruptcy or bankruptcy is petitioned against such Party • is declared insolvent • has applied for moratorium • ceases its business or goes into liquidation • or if attachment is levied on a considerable part of its assets.
17.3	Ceasing activities upon termination	Upon termination of the Agreement you will immediately cease your activities.
17.4	Repayment following early termination	Following the early termination of the Agreement under 17.2 you will repay all amounts paid by us under the Agreement.
17.5	Some provisions continue	Provisions that are intended to apply after termination of the

after the Agreement has been terminated	Agreement will continue to apply if the Agreement is terminated. This includes article 16 in any event.
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18 Transfer and engagement of third parties

18.1	Transferring this Agreement to third parties	 You are only permitted to transfer rights and obligations under the Agreement to third parties and/or your Employees following our approval in writing. We can attach conditions to this approval.
18.2	Continuing responsibility after transfer of the Agreement	<p>If you transfer rights and obligations to a third party (as described in 18.1) you remain fully responsible for the correct performance of the Agreement after transfer, and you us against all costs, damage and claims related thereto.</p> <p>Agreements with third parties involved will correspond with the provisions of the Agreement.</p>

19 Applicable law and arbitration

19.1	The law of The Netherlands applies	The law of The Netherlands applies to these General Terms and Conditions, an Agreement and any agreements ensuing therefrom.
19.2	Arbitration	<p>If we cannot reach agreement, any disputes between Parties will be settled in accordance with the most recent Rules of Arbitration of the International Chamber of Commerce. The location of arbitration is The Hague.</p> <p>Parties will continue with the performance of the Agreement in anticipation of the decision.</p>

Guide to operating these General Terms and Conditions



Record-keeping requirements

Keep good records of all aspects of the work, as we may ask to see them.

Social insurance and tax	3.6 states that we can ask you to show us evidence that you are complying with your legal obligations to pay tax and social insurance for your Employees.
Permits and exemptions	4.4 makes you responsible for obtaining permits and regulations.
Administrative records	6.1 requires you to keep good records of all aspects of the work, and we may ask to inspect these.
Records to send when invoicing	7.2 requires you to attach the original of the signed acceptance form and timesheets to invoices.
Monthly timesheets	If you are supplying Services, 10.3 requires you to submit timesheets at the end of every calendar month.
Proof of insurance	12.2 states that we may ask to see proof of insurance.
Certifications	15.9 states that you are responsible for ensuring any necessary certificates are up to date.



Communication requirements

This is a summary of the communication requirements for each Party.

You must confirm each Agreement in writing	2.1 requires you to confirm any Agreement in writing within 14 calendar days after it was sent.
Possible disruption	3.9 requires you to warn us if your work might cause disruption to other activities of our Employees.
Export regulations	4.3 requires you to inform us about export regulations.
80% budget usage	If you are working on a time and material basis, 6.2 requires you to notify us when 80% of the original estimate has been reached.
Rejection	8.4 requires us to inform you if Goods are rejected.
Acceptance	10.1 and 10.2 state that we will communicate to you the outcome of our inspection of the Goods or the results of Services, and when we have formally accepted them. You can invoice us when you have received this communication.

Suitability for purpose	11.3 states that you inform us immediately if the Goods and/or the (results of the) Services are not suitable for the intended use.
Rights of third parties	15.7 requires you to inform us immediately if third parties levy attachment on the delivered Goods and/or want to establish or enforce rights to them.



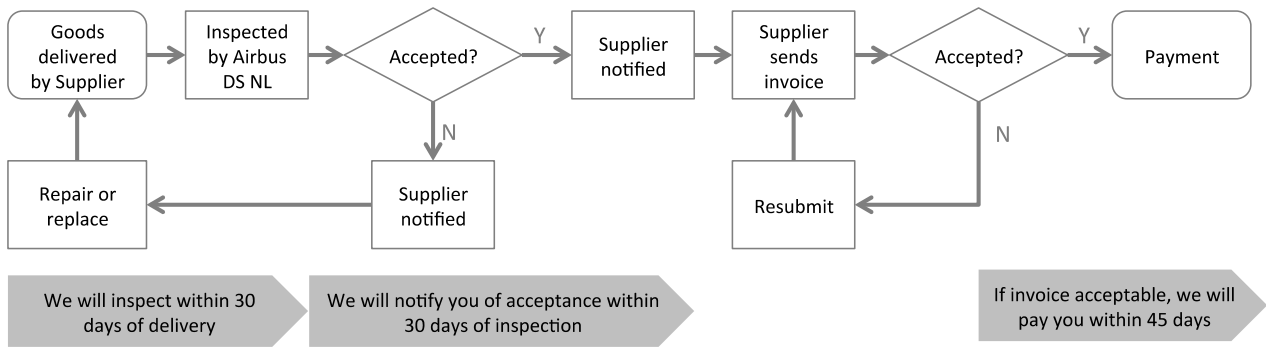
Requirements to agree or approve

This is a summary of your requirements to consult us and agree.

We must confirm any changes in writing	2.2 states that any changes to these General Terms and Conditions will only apply after we have confirmed them in writing.
Overtime	3.11 states that overtime can only take place with our express approval. We can attach conditions to this approval.
Holidays	3.12 requires you to consult with us about holiday arrangements for your Employees who are delivering Services to us.
Alterations	4.2 requires you get approval if you wish to change the way you produce the Goods.
Extra work	5.1 states that you need written instructions from us before doing extra work.
Early delivery	8.3 requires you to get our written approval before delivering early
Acceptance of timesheets	10.3 requires you to get our agreement of timesheets and/or approval of results or execution of Services.
Use of our name	16.2 requires you to get our prior written approval if you wish to use our name for publicity purposes.
Transferring the Agreement to third parties	18.1 requires you to request our approval in writing prior to transferring rights and obligations under the Agreement to third parties and/or your Employees.

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The acceptance process for Goods



2

Warranty and transfer of ownership and risk

