

# AIRBUS DS SLC - GENERAL PURCHASING CONDITIONS – 2015

## ARTICLE 1 – GENERAL

These present general conditions (hereinafter the present “Conditions”) define the general terms and provisions governing any purchase of products (hereinafter “Products”) and/or services (hereinafter “Services”) by Airbus DS SLC (hereinafter “AIRBUS DS SLC”).

For the interpretation of the present Conditions, the term “Order” means all the contractual documents governing the rights and obligations of the Parties, irrespective of the form of an order or contract.

Unless otherwise duly accepted in writing by Airbus DS SLC (hereinafter “AIRBUS DS SLC”), the Order shall be subject to the present Conditions. If the Order is accepted by the Supplier, the present Conditions shall prevail over any document of the Supplier, particularly its general conditions of sale.

The Order, and consequently the present Conditions, shall be deemed to have been accepted by the Supplier without any formality if the Supplier does not express any reservations within 8 days of its receipt. If the Supplier expresses reservations or wishes to modify the stipulations of the Order, these shall be valid only after being formally accepted in writing by AIRBUS DS SLC.

The contractual documents are, by order of precedence, the Order, including any special conditions, and the present Conditions.

The Supplier shall comply with the provisions of the code of good conduct and general employee protection as described at <http://www.airbusgroup.com/int/en.html>.

## ARTICLE 2 – DELIVERY - SHIPPING - PENALTIES FOR LATE DELIVERY

Delivery shall be made to the place indicated on the Order. The delivery date mentioned on the Order accepted by the Supplier is binding and constitutes an essential condition of the Order. The Order may not be modified without the prior written agreement of AIRBUS DS SLC. In particular, AIRBUS DS SLC reserves the right to return, at the Supplier’s expenses, any Products delivered before the scheduled delivery date unless such early delivery has been previously agreed in writing by AIRBUS DS SLC.

The delivery date is the date of arrival of the Products at the place of destination or the date of effective performance of the Services.

The Products shall be packaged and marked by the Supplier in compliance with European and international standards and regulations in force, as well as in accordance with the mode of transport used and the country of destination of the consignment. The Supplier shall be liable for any deterioration, loss or damage due to any package with inadequate or non-compliant marking.

All deliveries shall be made in compliance with the instructions mentioned in the Order, as well as with legislation on transport, customs, Export Control (Art. 18) and, where applicable, the protection of National Defence Secrecy (Art. 19).

All deliveries shall be accompanied by the following documents from the Supplier:

- a delivery note, which shall be affixed to the packages in an easily identified and accessible packaging, indicating:
  - \* the reference of the Order (number and date)
  - \* the name, address and contact details of the consignor
  - \* the name, address and contact details of the consignee
  - \* the number of packages, specifying the gross and net weights and dimensions

- a shipping invoice and a packing list in compliance with the terms of the Order and, for intra-Community and international consignments, in accordance with the Customs and Export Control regulations applicable in the country of destination.

The Supplier shall notify any delivery to AIRBUS DS SLC by e-mail at least two (2) working days before its departure, by means of a notice of dispatch accompanied by the documents listed above.

The Supplier shall comply with Export Control rules, and in particular shall obtain the relevant export licences from the competent authorities, as well as from the American authorities in the case of ITAR or EAR (see Article 18 “Export control”).

The Supplier undertakes to inform AIRBUS DS SLC immediately of any event that might result in late delivery with respect to the due date mentioned in the Order. The Supplier undertakes to make all efforts, at its own expenses, to reduce or remedy such delay.

Any delivery made after the due date shall render the Supplier liable to penalties by simple virtue of the passing of the due date and without any other formality. The amount of these penalties shall be either the amount of the expenses incurred by AIRBUS DS SLC due to the Supplier’s failure to meet the due date, or a percentage of the value of the late or non-compliant delivery. Unless stipulated otherwise, this percentage shall be 1% per week or part thereof for the first 2 weeks; thereafter, the percentage shall be increased to 2% per week or part thereof, subject to a maximum of 20% of the value of the Order. Any delay exceeding one (1) month may give rise at any moment to the application of Article 14 “Cancellation”.

## ARTICLE 3– TAKING OF DELIVERY - INSPECTION OF SUPPLIES & COMPLIANCE WITH LEGISLATION

The Products and Services (hereinafter “the Supplies”) shall be free from any defect and shall comply with all the obligations shown on the Order and in any document to which the Order refers, and with those prescribed by legislation and regulations in force. The above obligation of compliance incumbent upon the Supplier is an obligation of result.

Pursuant to the provisions of the French Penal Code concerning the acquisition, possession or marketing of devices that could infringe privacy, any such devices shall be covered by a declaration from the Supplier.

Any information concerning the re-exportability of the Products shall be mentioned by the Supplier.

The Supplier undertakes to comply with legislation in force within the European Union with regard to personal safety, electrical safety and electromagnetic compatibility.

The Products forming the subject of the Order shall be marked as complying with EU standards.

The Supplier shall permanently retain the relevant declarations/certificates of compliance and make these available to AIRBUS DS SLC. These shall mention the restrictions applicable to the Products and the associated instructions for use.

## ARTICLE 4 – REJECTION OF A SUPPLY

The Supplies delivered shall be accepted by AIRBUS DS SLC or its authorised representative. Acceptance by AIRBUS DS SLC shall be final only after conduct of quantitative and/or qualitative controls by the competent service of AIRBUS DS SLC and the signature by AIRBUS DS SLC of an acceptance report.

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Any non-compliance of the Supplies with the obligations mentioned in the Order and/or any other document to which the Order refers shall entitle AIRBUS DS SLC to apply penalties pursuant to Article 2 provided that bringing the Supplies into compliance remains possible and does not prejudice AIRBUS DS SLC. Where the latter is not the case, AIRBUS DS SLC may cancel the Order without the Supplier being able to claim any compensation.

AIRBUS DS SLC may inform the Supplier of the rejection of any Supply (i) in the event of any defect or (ii) in the event of any non-compliance with the conditions stipulated in the Order in compliance with the provisions of Article 3 above. Any rejected Supply shall be collected by the Supplier not later than ten (10) days after receipt of the notice of rejection; failure to do so, the Supply shall be returned to the Supplier at its own expenses and risks.

In the case of a rejected delivery, AIRBUS DS SLC reserves the right, without prejudice to the application of contractual penalties or the claiming of any other compensation:

1. to cancel the Order in full or in part after informing the Supplier accordingly; or
2. to demand that the Supplier, who undertakes to comply with such demand, replaces the rejected Supplies at the earliest opportunity under the original conditions of the Order, without the timing of such replacement causing any prejudice to AIRBUS DS SLC; or
3. to obtain the Supplies concerned in the Order from any other supplier, at the expense of the defaulting Supplier.

## ARTICLE 5 – PRICES - INVOICING - PAYMENT

The prices stipulated in the Order are exclusive of taxes, firm and fix. Prices shall include, in particular, administrative expenses, transport costs according to the specified Incoterm, unloading, packagings required for good conservation of the merchandise during storage, and outer packaging appropriate to the transport, in compliance with Article 2 “**Delivery - Shipping - Penalties For Late Delivery**”.

In the event of lower prices or higher discounts being granted by the Supplier to other firms for volumes of products or services comparable to those purchased by AIRBUS DS SLC, the Parties shall meet to discuss how to take this information into account.

Invoices shall be submitted in triplicate to the invoicing address specified on the reverse of the Order, after final acceptance of the Product and/or Service by AIRBUS DS SLC, and shall contain all the legally required information, as well as the Order number and the references and number of the delivery note. Any invoice not containing the information listed above shall be returned to the Supplier and shall not take effect until the day of receipt by AIRBUS DS SLC of the invoice containing all the information mentioned above. Any particular term on the invoice that is contrary to the contractual provisions of the Order or the present Conditions shall be null and void since the Supplier has accepted the Order.

Provided that the event triggering the invoiced payment term has been fully performed in compliance with the contractual provisions, and that the invoice contains all the information stipulated above, AIRBUS DS SLC shall pay each of the invoices by bank transfer at 30 days end of month on the 10th of the following month from the date of issue of the invoice.

## ARTICLE 6 – TRANSFER OF TITLE - TRANSFER OF RISKS

The transfer of title of the Supplies shall take place upon delivery, notwithstanding any title retention clause, which shall not be invoked against AIRBUS DS SLC unless signed by one of AIRBUS DS SLC representatives.

For purchases in France, the transfer of risks shall take place upon delivery of the Supplies (carriage and costs paid) to the place specified on the Order.

For purchases in a foreign country and/or for deliveries outside France, the Supplies shall be delivered DDP (according to CCI Incoterms 2010) to the place specified on the Order form.

## ARTICLE 7 – DOCUMENTS, RESOURCES LOANED OR ENTRUSTED

In the event that any documents or materials (such as software) are on deposit with the Supplier, the latter shall be responsible for the safekeeping and maintenance of such documents and materials at its own risks, and it undertakes they are properly covered by its own insurance policies.

Documents and materials on deposit shall be marked “Non-seizable property of AIRBUS DS SLC” by the Supplier, and shall be returned immediately and in good working order, except for normal wear and tear, on first demand by AIRBUS DS SLC.

## ARTICLE 8 – SUBCONTRACTING

The Supplier may not under any circumstances subcontract all or part of the performance of the Order without the prior written consent of AIRBUS DS SLC. In any event, if the Supplier subcontracts all or part of the performance of the Order, it is understood that the Supplier shall remain solely responsible vis-à-vis AIRBUS DS SLC for all the obligations associated with the subcontracted Order, without involving AIRBUS DS SLC in this matter. Furthermore, the Supplier shall ensure that the undertakings made to it by the subcontractors allow full compliance with the Supplier’s obligations towards AIRBUS DS SLC with regard to the Order.

## ARTICLE 9 – ENVIRONMENT

The Supplies shall be made within the framework of an environmental system that meets the requirements of standard ISO 14001.

The Supplier undertakes to comply with all environmental laws and regulations that are applicable to it during the performance of the Order, as well as with any modifications that may be made to such laws and regulations subsequently. The Supplier shall provide any certificate or information requested by AIRBUS DS SLC for the purposes of complying with its environmental obligations.

Any action taken to achieve compliance with environmental provisions during the performance of the Order shall be carried out by the Supplier with an obligation of result (including but not limited to compliance with deadlines for the implementation of the prescriptions defined by such environmental provisions). Any failure to achieve compliance shall be regarded as a breach of the Supplier’s obligations, and the Supplier shall compensate AIRBUS DS SLC for any damage incurred in the event of non-compliance with such obligations.

If the application of applicable environmental laws and regulations prevents the delivery of the Products and/or the supply of the Services, the Supplier shall immediately inform AIRBUS DS SLC of this fact and propose an alternative solution for providing AIRBUS DS SLC with

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continuity of delivery of the Products and/or supply of the Services in compliance with the applicable environmental provisions and with the Order.

The implementation of all environmental laws and regulations applicable to the Supplier shall not entail any increase in the prices set out in the Order.

## ARTICLE 10 – HYGIENE AND SAFETY

The Supplier undertakes to comply with all laws and regulations on hygiene, health and safety that are applicable to it during the performance of the Order (including application of the Labour Code and the Public Health Code).

In the context of purchase of a Supply, in accordance with the provisions of the Public Health Code concerning the protection of persons against the dangers of ionising radiation, the Supplier undertakes to provide traceability documents concerning the presence or absence of ionising radioactive substances in the said Products.

According to the French Labour Code, the Supplier undertakes to provide AIRBUS DS SLC with the necessary information for risk prevention and safety concerning the said Products.

Finally, in accordance with the provisions of the French Labour Code, the Supplier shall, prior to the Order, provide AIRBUS DS SLC with traceability documents concerning the presence or absence of asbestos in the said Products.

In the event of service(s) to be performed for installation and commissioning of a Supply, the Supplier and its subcontractors working on the site shall be deemed to have familiarised themselves with the laws and regulations in force. The Supplier (and its subcontractors) shall apply such laws and regulations, and shall ensure that they are applied by its employees.

In addition, the Supplier declares that it complies with social law, and particularly with provisions concerning illegal labour.

## ARTICLE 11 – GUARANTEE - LIABILITY

The Supplier assumes full liability vis-à-vis AIRBUS DS SLC for the Supplies delivered and incorporated into the products manufactured by AIRBUS DS SLC or resold “as-is” to its clients, and undertakes to indemnify and hold harmless AIRBUS DS SLC against any claim of any kind that might be raised in this regard, as well as against any prejudicial consequences that might arise therefrom for AIRBUS DS SLC and/or its own clients. The payment of invoices by AIRBUS DS SLC shall not modify the liability of the Supplier in any way.

Without prejudice of the legal guarantees, the Supplier guarantees the Supplies for twenty-four (24) months from the date of final acceptance of the Products and Services by AIRBUS DS SLC, and therefore undertakes, for the whole of that period, to remedy, repair or replace, without delay and free of charge, any defect of nature, design, material, manufacture, non-performance or mal-functioning of the Supplies, and to indemnify and hold harmless AIRBUS DS SLC against any prejudice incurred as a result of any defects.

In case of repair or replacement of Supplies, the replacement supplies shall be guaranteed for a new period of twelve (12) months from the date of their acceptance by AIRBUS DS SLC.

Any expenses or charges incurred in relation to the implementation of these guarantees shall be borne by the Supplier.

The Supplier shall also repair the consequences for AIRBUS DS SLC and its clients of such defects/malfunctions. In the event the Supplier is incapable of performing correctly the present clause, AIRBUS DS SLC reserves the right to have the necessary work carried out at the Supplier's expense, without prejudice to the application of the Cancellation Clause of Article 14.

## ARTICLE 12 – INSURANCE

The Supplier undertakes to take out, on its own account and for its subcontractors, an insurance policy with a reputable company to cover the financial consequences of the civil liability that might be incumbent upon it or any of its subcontractors as a result of bodily injury, material damage and consequential financial loss, irrespective of their origin, caused to AIRBUS DS SLC or any third party during and after the performance of the Order. AIRBUS DS SLC may request a copy of the insurance certificate from the Supplier.

## ARTICLE 13 – INTELLECTUAL/INDUSTRIAL PROPERTY

For the interpretation of the present article, the term “Software” means all software, programs and source code and all design, performance and usage documentation, including programming software.

The term “Works” means the studies carried out by the Supplier in respect of the Order, as well as their results and constituent parts.

All moulds, tools, Works and hardware and/or Software testing resources manufactured and/or developed specifically for the performance of an Order (hereinafter the “Tools”) shall become the exclusive property of AIRBUS DS SLC upon their creation and shall not be used by the Supplier for any purpose other than the performance of the Order. Consequently, the Supplier assigns all of these intellectual and industrial property rights to AIRBUS DS SLC, particularly the rights of representation, reproduction, translation, adaptation, modification, marketing, utilisation, holding and duplication, and generally all rights of exploitation for any purpose, including advertising purposes.

Any Tools that have not been manufactured and/or developed specifically for the performance of the Order shall remain the exclusive property of the Supplier.

The price agreed between the Parties shall include this transfer of rights. The Supplier undertakes not to use or exploit the Tools either directly or indirectly. Only AIRBUS DS SLC may file, in its own name and at its own expense, any intellectual property application. The Supplier, as a specialist in its art, shall carry out all useful research and take all useful measures to ensure the legality of the Supplies delivered to AIRBUS DS SLC, as well as that of their resale or exploitation by AIRBUS DS SLC in any country.

Consequently, the Supplier indemnifies and holds harmless AIRBUS DS SLC against any action concerning the intellectual property of a third party with regard to a prohibition of sale, counterfeiting, seizure or damages in relation to its Products and Services. The Supplier undertakes to inform AIRBUS DS SLC as soon as it becomes aware of any such action. It is therefore the responsibility of the Supplier to approach all rights holders in order to obtain the necessary authorisations, and to pay them all fees, charges and indemnities.

The Supplier undertakes to intervene at its own expense in any proceedings directed against AIRBUS DS SLC or against third parties for the use or sale of a Supply delivered by the Supplier. It shall bear any judgments, damages and any other expenses whatsoever arising from such proceedings.

In the event that AIRBUS DS SLC becomes the victim of a disturbance of enjoyment of the Products and Services delivered, the Supplier shall immediately take appropriate measures to end such disturbance.

After serving a formal demand establishing a maximum period of one month for ending such disturbance, AIRBUS DS SLC reserves the right to suspend all or part of the payments for the Order in progress until the dispute has been fully settled.

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The Supplier undertakes to flow-down the above obligations in any subcontracting contracts relating to the Order.

## ARTICLE 14 – CANCELLATION

In the event the Supplier is in default for performing AIRBUS DS SLC's Order, without advance formal notice in case of events stipulated in Article 2 "Delivery - Shipping - Penalties For Late Delivery" and Article 11 "Guarantee - Liability", or with formal notice without satisfactory remedy within thirty (30) days in other cases, AIRBUS DS SLC reserves the right to cancel (or reduce) its Order at the exclusive fault of the Supplier without need of any legal formalities. AIRBUS DS SLC may demand that the Supplier inform it, within five (5) working days, of the progress status of the supplies and manufactured items corresponding to the cancelled Products.

In the case of an Order involving sequential performance, and provided that AIRBUS DS SLC has informed the Supplier of the same by registered letter at least thirty (30) days in advance, AIRBUS DS SLC may cancel all or part of the outstanding Orders. The Supplier may then be compensated in an amount agreed by AIRBUS DS SLC after checking the levels of commitments, stocks and outstanding bills relating to the quantities and to the Supplies produced specifically to fulfil AIRBUS DS SLC's original Orders.

In addition, AIRBUS DS SLC may, with advance notice of thirty (30) days, cancel the Order in the event of termination of the contract by its client.

## ARTICLE 15 – CONFIDENTIALITY

For performance of the Order, the Supplier shall be bound by an obligation of professional secrecy, and all information of any kind (technical, commercial, financial or other), as well as any medium transmitted or to which it may have had access, including the results of any studies, shall be treated by the Supplier as strictly confidential and reserved solely for the performance of the Order, to the exclusion of any other use.

In particular, the Supplier shall take all measures to ensure that the manufacturing specifications, formulas, designs, details or secrets relating to the Order are not communicated or disclosed to any third party, either by the Supplier itself or by its employees and subcontractors. This obligation shall also apply to the documents exchanged during the precontractual phase.

Furthermore, the Supplier undertakes not to mention to any third parties, without the express prior consent of AIRBUS DS SLC, the existence of its commercial relations with AIRBUS DS SLC, or to disclose all or part of the Supplies produced on the basis of documents belonging to AIRBUS DS SLC.

The obligation of confidentiality shall remain in full force for five (5) years following the end of performance or the cancellation of the Order(s). The obligation shall become obsolete if the information falls within the public domain independently of any intervention by the Supplier having received the information.

## ARTICLE 16 – WAIVER

Any failure from AIRBUS DS SLC to enforce the application of any of the clauses of the present Conditions and/or of the special conditions, either temporarily or permanently shall not under any circumstances be construed by the Supplier as a waiver of its rights arising from such clause.

## ARTICLE 17 – OFFSET

The term "Offset" or "Industrial Compensation" refers to the reciprocal operations required by governmental clients in return for a foreign sale contract obtained only under this condition.

Offset/Industrial Participation are in-country compensations required by governments as a condition for purchasing foreign major goods or services. The Supplier commits to support AIRBUS DS SLC in the field of Offset/Industrial Participation and acknowledges that any Order to the Supplier implies a corresponding offset obligation towards AIRBUS DS SLC.

Accordingly, upon specific request by AIRBUS DS SLC, the Supplier shall identify suitable Offset/Industrial Participation opportunities for the benefit of offset obligations of the below mentioned entities. With such specific request, AIRBUS DS SLC would further inform on specific countries.

The Supplier commits to support AIRBUS DS SLC in its effort to have any Order to the Supplier be accepted as Offset Credit by the Supplier's national Offset Authorities to the benefit of AIRBUS DS SLC, their parent companies, their holding companies, affiliates and subsidiaries or partner companies.

## ARTICLE 18 – GOVERNMENTAL AUTHORISATIONS – EXPORT CONTROL

AIRBUS DS SLC and the Supplier shall be responsible for complying with all applicable national and international laws and regulations including, without limitations, laws and regulations applicable to import, re-export, or otherwise transferred technical data or technology. AIRBUS DS SLC and the Supplier acknowledge that diversion contrary to such export regulations is prohibited.

The Supplier shall be responsible for obtaining all relevant governmental authorisations required for the export of the Supply in accordance with the end-use statement provided by AIRBUS DS SLC.

The Supplier undertakes to inform AIRBUS DS SLC of:

- Export control classification of the Supply. This information, and the number of the applicable export license shall be clearly indicated on all delivery documents.
- Any change in the export control classification of the Supply, even after transfer of title;
- Any restrictions associated with the use, transfer and re-export of the Supply, as well as provide copies of the authorisations obtained for the fulfilment of this Order.

Supplier undertakes to draft all Technical Assistance Agreement (TAA) requests in accordance with the end-user statement provided by AIRBUS DS SLC and to provide them to AIRBUS DS SLC for review and approval before submission to export authorities.

The Supplier shall ensure that AIRBUS DS SLC's requirements and provisions regarding Export Control are flowed down to its subcontractors and well enforced at each contractual level.

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The Supplier shall be responsible for all damages, losses, and liabilities incurred by AIRBUS DS SLC as the result of the Supplier's negligent non-compliance with its obligations and it may lead AIRBUS DS SLC to cancel the Order.

### **ARTICLE 19 – CLASSIFIED EQUIPMENT UNDER IGI 1300**

Classified equipment, as defined by the *Instruction Générale Interministérielle* (IGI) no. 1300 on the protection of National Defence Secrecy, shall be transported in compliance with legislation, particularly with regard to:

- double-layer packaging without any external mention of the classification
- transportation by companies and personnel approved by the Ministry of Defence
- awareness of the carrier and its personnel of the classified nature of the equipment
- taking of delivery in liaison with AIRBUS DS SLC's security officers

Any breach of these rules shall be treated as a security incident which can lead to the observation of a compromising and therefore to a criminal investigation as described in IGI 1300.

These rules shall take precedence over any other provisions concerning the same subject.

### **ARTICLE 20 – CHANGES IN THE LEGAL SITUATION OF THE SUPPLIER**

The Supplier undertakes to declare to AIRBUS DS SLC any changes that may arise with regard to the composition of its capital, such as a change of majority, merger or acquisition, as well as any court judgment affecting the company, such as judicial reorganisation or liquidation.

### **ARTICLE 21 – APPLICABLE LAW AND SETTLEMENT OF DISPUTES**

**THE PRESENT CONDITIONS, AS WELL AS THE SPECIAL CONDITIONS AND CONTRACTUAL DOCUMENTS OF THE ORDERS, ARE GOVERNED BY FRENCH LAW.**

**IF AN AMICABLE SOLUTION CANNOT BE REACHED, ANY DISPUTE RELATING TO THE VALIDITY, INTERPRETATION AND/OR PERFORMANCE OF THE ORDER SHALL BE REFERRED TO THE COMMERCIAL COURT OF PARIS, INCLUDING IN THE CASE OF SUMMARY PROCEEDINGS, PLURALITY OF DEFENDANTS OR ACTION IN WARRANTY.**

N.B.: AN original French version of AIRBUS DS SLC's General Purchasing Conditions is available on request. This translation is purely indicative in nature, and the original French version of the present document shall prevail over the English translation in the event of any dispute or contest.