

## 1. Definitions

**Aeronautical Goods** – Items that are intended to be mounted on an Aircraft or that directly impact the quality of such Items, or that are used as direct or indirect input material in the production and supply of such Items (including without limitations any tooling, cutting tools, lubricants, consumables, packaging materials, etc.).

**Aircraft** – the aircraft described in the Purchase Order.

**Applicable Law** – all applicable laws, statutes, orders, rules, provisions, regulations, standards, directives and guidelines, whether local, national, international or otherwise, including without limitation those in respect of (i) environment, safety, health, security, , labour and human rights (e.g., those in respect of child labor, forced labor, illegal labor, working hours, minimum wage), (ii) anti-bribery and anti-corruption, (iii) hazardous substances and chemicals (including but not limited to the EU REACH Regulation, (iv) data protection (including but not limited to the EU Data Protection Regulation), (v) conflict minerals (including but not limited to the EU Conflict Minerals Regulation and the U.S. Dodd-Frank Act, including its section 1502 on conflict minerals), (vi) export control (including but not limited to the United States Export Administration Regulations (“EAR”) and the International Traffic In Arms Regulations (“ITAR”) and the laws and regulations of any other country that has jurisdiction over the export, re-export, transfer or release of export controlled goods or data), (vii) sanctions and embargoes of the UN, US, EU or the jurisdiction(s) where the Purchaser has a place of business, and (viii) Aviation Authority requirements; in each case including any evolution thereof and the equivalent in any other jurisdiction.

**Aviation Authority** – any official body having the authority to approve the design, the manufacture, the sale, the support, the individual airworthiness and continued airworthiness of the Aircraft and/or Item, e.g. EASA (Europe), FAA (USA) CAA (UK), LBA (Germany), DGAC (Spain), BCAA (Belgium) and any other relevant aviation authority.

**Change of Control Event** – (i) any event resulting in a direct or indirect change of the legal or beneficial ownership of 50% or more of the shares, capital stock or voting rights in the Supplier, or the right to control and appoint 50% or more of the directors or the management of the Supplier, and, (ii) the sale or transfer, in any way whatsoever of all or a substantial part of the business and/or assets of the Supplier.

**Contract** – the set of documents containing the terms and conditions governing the supply of the Items.

**Counterfeit Goods** – an unauthorized copy, imitation, substitute, or modified part (e.g., material, part, component), which is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer.

**Customer** – any Customer of the Purchaser, any subsequent owner, operator or user of the Items and/or the Aircraft on which they are mounted, and any other individual, partnership, corporation or person which has or acquires any interest in the Items from, through or under the Purchaser.

**Day** – unless otherwise specified, a day, other than a Saturday or a Sunday, on which banks are open for business in country of the Purchaser.

**Delivery** – delivery by the Supplier to the Purchaser of an Item (including all Item Documents) strictly in accordance with the provisions of the Contract.

**Delivery Schedule** – the delivery schedule which shall include, in respect of a Purchase Order, the planned deliveries and the forecast of Items, in each case for information and planning purposes only.

**Delivery Due Date** – the date on which the Delivery has to occur, as specified in the Purchase Order.

**Event of Default** – (i) any failure by the Supplier to perform or comply with any obligation set forth in the Contract that is not remedied within thirty (30) Days following receipt by the Supplier of notice from the Purchaser; (ii) any failure by the Supplier to perform or comply with any Applicable Law; (iii) the participation of the Supplier in the sale, purchase or manufacture of Aeronautical Products without the required approval of the Aviation Authority; (iv) the occurrence of a Change of Control event; (v) the suspension, dissolution or winding-up of the Supplier's business, the Supplier's insolvency, or its inability to pay debts, or its non-payment of debts, as they become due, the institution of reorganization, liquidation or similar proceedings by or against the Supplier or the

appointment of a custodian, trustee, receiver or similar person for the Supplier's properties or business, an assignment by the Supplier for the benefit of its creditors, or any action of the Supplier for the purpose of effecting or facilitating any of the foregoing; (vi) any event which is described in the Contract as a material breach or an event which entitles the Purchaser to terminate (in whole or in part) the Contract or any of the Purchase Orders; (vii) any event of force majeure as set forth in article 14 that continues for more than ninety (90) Days.

**GTC** – these present general terms and conditions of purchase.

**Intellectual Property** – any design, invention, discovery, improvement, innovation or other creation that is capable of being protected by an intellectual property right or other similar form of legal protection, technical data, such as recorded information, regardless of its form, and computer software resulting from a study, research or development activity. This includes, in particular, trade secrets and know-how and, in general, all data not being capable of being protected other than by a secrecy or by a contractual undertaking on the part of the person who receives them, proprietary technical data, which are owned or controlled by a natural or legal person which gives that person a lead over its competitors or which are of such a nature that they are not normally divulged to the general public, for example but without limitation, detailed manufacturing drawings, detailed calculations and studies, trade secrets and know-how, and non-proprietary technical data, meaning all other technical data.

**Party** – each of the Purchaser and the Supplier, and **Parties** shall be construed accordingly.

**Purchaser** – one or more of the companies that are part of the aerostructures business segment of Montana Aerospace AG, as it may evolve from time, including Asco Industries NV, Asco Deutschland GmbH, Asco Aerospace USA LLC, Asco Aerospace Canada Ltd., Universal Alloy Corporation, Universal Alloy Corporation Europe SRL and Universal Alloy Corporation Vietnam Company Limited, and, in each case, their respective successors and assigns.

**Item** – all goods, services, documents, data, software, Tooling and other information furnished or to be furnished to the Purchaser under the Contract and/or any Purchase Order, including Item Documents.

**Item Documents** – all manuals, designs, plans, drawings, data, software (including source code), and other files and documents relating to the Item, including first article inspection documents in accordance with the applicable Quality Requirements.

**Montana Aerospace Supplier Code of Conduct** – the Supplier Code of Conduct of Montana Aerospace AG which can be found on <https://www.montana-aerospace.com/procurement/>.

**Purchase Order** – an order from the Purchaser for the purchase of Items, including any amendments.

**Quality Requirements** – all quality requirements applicable to the Item, including without limitation: those mentioned on the Purchaser's website, portal or such other place as may be communicated by the Purchaser to Supplier, those mentioned in the Contract, those of the Customer, those of the Aerospace Industry Standards (including AS9100), and those of a relevant Aviation Authority.

**RFQ** – the document(s) sent by the Purchaser to the Supplier to invite the latter to quote for the supply of Items.

**Specific Tooling** – tooling that is specifically purchased, manufactured or developed by Supplier for the Item.

**Specifications** – the document(s) containing: (i) the technical specifications of the Items and all requirements that such Items and/or the work for such Items have to comply with, (ii) the procedure governing the bid process, and, (iii) the Quality Requirements, all as may be amended from time to time.

**Supplier** – any (potential) supplier of an Item to the Purchaser.

**Tooling** – all jigs, tools, gauges, fixtures, equipment, designs, drawings, data, maintenance and operating manuals and the like, required for the development, testing, manufacture and support of the Item, including without limitation Specific Tooling.

**2. Applicable terms and conditions**

2.1 These GTC apply to all phases of the Contract, its performance and the related documents, each Purchase Order issued by the Purchaser, and the purchase, manufacture and Delivery of Items. All terms and conditions, including the Supplier's terms and conditions, other than those mentioned herein or in a Purchase Order, are hereby expressly excluded and the Purchaser shall not be bound by any different or additional terms and conditions proposed or communicated by the Supplier at any time, even in case the Purchaser does not expressly disagree or reject.

2.2 The RFQ, the GTC, the Specifications, the Purchase Order and any document referenced therein are all part of the Contract. If the Purchaser and the Supplier have signed additional agreements, they shall equally form part of the Contract. In the event of conflict between one or more documents, the following order of precedence shall apply: (i) Purchase Order; (ii) Specifications; (iii) any additional agreement signed between the Parties such as a framework supply agreement or program specific supply agreement; (iv) RFQ; (v) GTC.

2.3 The Parties declare that these GTC are a fair, reasonable and balanced as a set of terms and each individually as part of that set, whereby each Party had the opportunity to seek internal and external advice, to obtain sufficient information from the other Party on the scope and consequences and to negotiate. The Parties acknowledge and accept that these GTC represent a legal equilibrium, taking into account the economic and legal positions of each of them and that these GTC are in accordance with the general economy of the Contract and the customary practices in the industry.

**3. Purchase Orders**

3.1 Each Purchase Order will constitute a separate contract for the manufacture and delivery of the Items mentioned therein. Only a Purchase Order issued by the Purchaser constitutes a valid and binding undertaking of the Purchaser to purchase the Items mentioned therein. The Purchaser does not give a guarantee for the volume of Items ordered.

3.2 The Supplier shall confirm acceptance of each Purchase Order within 48 hours after receipt. The Purchase Order shall be deemed to have been accepted by the Supplier upon the first of the following occurrences: (i) Suppliers' commencement of performance of work; (ii) the passage of 48 hours following Supplier's receipt of the Purchase Order without written notice of rejection from the Supplier; (iii) confirmation of acceptance of the Purchase Order by the Supplier. The acceptance of the Purchase Order constitutes acceptance of these GTC.

3.3 The Supplier shall carefully check the Purchase Order, including the Specifications, for completeness, suitability and absence of defects and non-conformities, and immediately notify the Purchaser of any issues in that regard.

3.4 The Purchaser may revoke any Purchase Order prior to acceptance by the Supplier.

3.5 The Purchaser may, in writing, make changes in any of the following: (i) Specifications and scope of work; (ii) shipment or packing methods; (iii) delivery point, inspection or acceptance; (iv) adjustments in quantities or delivery schedules or both; (v) amount of Purchaser furnished property; (vi) terms and conditions of the Purchase Order.

**4. Packaging and transport**

4.1 The Supplier shall pack, store, load and transport the Items until Delivery in accordance with Applicable Law and as specified in the Contract or as otherwise instructed by the Purchaser, in the best possible way to secure protection of the Items and prevent any loss or damage. Any applicable charges are included in the Item price and the Supplier shall not be entitled to charge any additional amounts in this regard.

4.2 At the request of the Purchaser, the Supplier shall take back any packaging materials after delivery, at no cost to the Purchaser. If packaging materials are to be disposed of by the Purchaser as special waste, then the Supplier shall reimburse the Purchaser for any costs in relation thereto.

**5. Delivery**

5.1 The Supplier shall deliver the Items at the place specified in the Purchase Order on the Delivery Due Date, fully in accordance with the Contract and together with all Item Documents. Time is of the essence for the Delivery or performance under the Purchase Order and the Delivery Due Date and all other agreed deadlines shall be binding on the Supplier. The obligation to deliver the Items and to timely perform its obligations strictly in accordance with the Contract is an essential

obligation of the Supplier. If the Supplier fails to fulfil or meet this obligation the Purchaser is entitled to terminate the Purchase Order in accordance with article 15.1.

5.2 If the Supplier anticipates that it will not be able to perform any of its obligations, it will inform the Purchaser in writing without any delay and at the same time provide a corrective action plan and mitigation measures.

5.3 Delivery of each Item shall be deemed to have been made upon arrival of the Item at the point of Delivery specified in the Contract including any applicable delivery terms fully in accordance with the Contract.

5.4 Unless otherwise agreed the Supplier shall make Delivery in accordance with the Incoterms® 2020 DDP place of Delivery as specified in the Purchase Order.

5.5 The Supplier understands and accepts that, from time to time, due to fluctuations in the requirements of the Purchaser or the Purchaser's Customer, there could be a need to reschedule Deliveries or change quantities. The Supplier agrees to do everything possible to support the production of the Purchaser during this period.

5.6 The quantities of Items and the Delivery Schedule shown on the Purchase Order are based on the build rates given to the Purchaser by the Purchaser's Customer. In the event of subsequent changes to the build rates by the Customer, the Purchaser reserves the right to adjust the ordered quantities and Delivery Due Dates accordingly without additional costs.

5.7 In case of late Delivery, the Purchaser will be entitled without notice to (i) charge liquidated damages of [2]% per day of delay calculated on the Purchase Order value, (ii) increase the liquidated damages with all damages that the Purchaser suffers if the Purchaser's Customer is charging the Purchaser for late delivery due to the late reception of the Items, (iii) charge the Supplier for proven efforts from the Purchaser to mitigate the impact of the late delivery of the Items, (iv) charge the damages incurred by the Purchaser in excess of the liquidated damages. These liquidated damages are fair, reasonable, proportionate and justified in view of the legitimate interests of the Purchaser and the damages that the Purchaser can reasonably be anticipated to incur.

5.8 The Purchaser will have no obligation to accept early deliveries. Shipments in excess of those authorised may be returned to the Supplier at the Supplier's cost and risk and the Supplier shall pay all costs resulting from such return, including but not limited to costs of packaging, handling, sorting, shipment, custom duty etc.

## **6. Inspection and Acceptance - Rejecting of Items**

6.1 Prior to Delivery the Supplier's qualified personnel shall inspect, test, and certify that the Items and the components thereof meet the requirements of the Contract. Each Item shall be subject to *prima facie* visual inspection and acceptance by the Purchaser prior to using the Items. The Purchaser shall have no other obligation regarding inspection and testing of the Items.

6.2 The Purchaser may, at any time, inspect the Items or the manufacturing process of the Supplier. If any inspection or test by the Purchaser is made in the premises of Supplier, Supplier shall provide reasonable facilities and assistance to the inspection personnel.

6.3 No inspection, test, approval or payment for the Items shall constitute acceptance, nor shall it release the Supplier from any of its obligations, representations or warranties under the Contract, nor impair any rights or remedies of the Purchaser or its Customers. Acceptance of the Item shall not cover hidden defects or non-conformities.

6.4 The Purchaser shall promptly notify the Supplier of the rejection of any Item (or part thereof). Within ten (10) Days from such notification, the Supplier shall be given the opportunity to inspect the rejected Item at the Purchaser's premises. If at the expiration of said ten (10) Day period the Purchaser and the Supplier have not reached an agreement the Purchaser shall be entitled, at its sole discretion, to exercise one or more or a combination of the following options, at the Supplier's risk and expenses: (i) terminate the Purchase Order in accordance with article 15.1; (ii) retain payment of the Items, or, if payment for the Items has already been done, request reimbursement thereof; (iii) hold, retain or return such Items without permitting repair, replacement or other correction by the Supplier; (iv) hold or retain such Items for repair by the Supplier or for repair by the Purchaser in the Purchaser's premises, with such assistance from Supplier as the Purchaser may require; (v) hold such Items until the Supplier or a third party has delivered conforming replacements for such Items; (vi) return such Items with instructions to the Supplier as to whether the Items shall be

repaired or replaced and as to the manner and time of Delivery of repaired or replacement Items; or (vii) destroy such Items.

6.5 If, as a result of sampling inspection, any portion of a lot or shipment of identical or similar Items is found not to be in conformity with the Contract, or is found to be defective, the Purchaser may reject and return the entire shipment or lot without further inspection or, at its option, complete inspection of all Items in the shipment or lot, and exercise any one or more of the options in accordance with the foregoing paragraphs at Supplier's risks and costs.

6.6 All costs, expenses and loss of value incurred as a result of or in connection with the non-conformance, rejection, repair, replacement, or other corrective action as mentioned herein will be borne by the Supplier and may be recovered from the Supplier by equitable price reduction, set-off or credit against any amounts which are due to the Supplier under each and any Purchase Order placed with the Supplier or under the Contract.

6.7 In case of rejection of, or concession on, an Aeronautical Product, , the Purchaser will be entitled to charge to Supplier liquidated damages in the amount of 1.000 EUR per rejection or concession as a compensation of the Purchasers' administrative and inspection costs related to the rejection or concession, without prejudice to the Purchaser's right to claim compensation for damages and costs suffered in excess of such liquidated damages as a result thereof. These liquidated damages are fair, reasonable, proportionate and justified in view of the legitimate interests of the Purchaser and the damages that the Purchaser can reasonably be anticipated to incur.

## **7. Title and Risk**

Unless otherwise provided in the Purchase Order, title and risk of the Items shall pass from the Supplier to the Purchaser upon Delivery, or, if consignment stock has been agreed to, upon the moment the Purchaser takes the Item out of Supplier's consignment stock. The foregoing is without prejudice to the Supplier's liability for rejection of Items or Supplier's warranty. The passing of title upon Delivery shall not constitute acceptance of the Items by the Purchaser.

## **8. Prices**

8.1 The prices for the Items shall be as set out in the Purchase Order. The prices are based on the detailed break-down of the price structure as mentioned in the Supplier's quotation and shall include all work, services and supplies to be performed by the Supplier under a Purchase Order, including but not limited to, all costs in respect of Tooling, packing and transport. Supplier cost estimates and responses to RFQs shall be free of charge to the Purchaser.

8.2 Prices shall be exclusive of VAT. Prices shall be inclusive of all other taxes, duties or similar charges of any nature in connection with the Supplier's obligations under the Contract.

8.3 The Purchaser may from time to time in writing direct changes, including changes proposed by the Supplier, relating to the Items, such as, but not limited to, changes relating to the technical requirements and descriptions, the drawings, the place of delivery, inspection procedure, quantities, production and Delivery rates, etc. If any change causes an increase or decrease in the cost of the Item or the time required for performance, either Party can introduce a claim for adjustment of the price of such Item as mentioned in the relevant Purchase Order. The Party claiming an adjustment shall make available to the other Party any documents supporting a claim for adjustment to enable the other Party to audit and verify the claim for adjustment. Failure of the Parties to agree upon any adjustment shall not excuse the Supplier from performing in accordance with such directed change.

## **9. Invoices and Payment**

9.1 The Supplier shall invoice the Purchaser at the moment of Delivery of the Items. All invoices issued by the Supplier shall at least contain the following information: (i) the description, reference number, and quantity of the Items; (ii) the number of the Purchase Order, the part number; (iii) the price and VAT, if any; (iv) the delivery note number; (v) any specific terms and conditions; (vi) if the Supplier is a resident of a EU Member State, (a) Inrastat code and (b) weight of the Items.

9.2 Payment shall be made by wire transfer to the Supplier's account. Unless otherwise provided in the Purchase Order payment shall be made within 90 days net or 60 days 2% following receipt by the Purchaser of a correct and complete invoice from the Supplier, and provided the Items to which the invoice relates comply in all respects with the Contract and are free and clear of defects whatsoever. In case the payment term set forth above in this article 9.2 would be longer than permitted under the law applicable to the relevant Purchase Order, then it shall automatically be

deemed to be deleted and replaced by the longest payment term allowed under such applicable law, provided that in case this would reduce the payment term to more than 60 days, then the 2% 60 days shall continue to apply and, further provided that, in case this would reduce the payment term to 60 days or less, then a 2% discount shall automatically apply.

9.3 Notwithstanding any other provision in the Contract, the Purchaser shall be entitled to deduct from or set-off against any payment due to the Supplier, any sums due by the Supplier to the Purchaser, even if such sums do not originate from the same contract or are otherwise not closely connected.

## **10. Quality**

10.1 The Supplier shall implement and maintain a Quality Management System (QMS) (ISO 9001 at a minimum). The Supplier shall ensure that the Purchase Order is carried out in compliance with the requirements of its QMS. The Supplier shall maintain such other certifications or approvals as the Purchaser may require, including without limitation those from or imposed by the Customer.

10.2 Limited shelf-life Items shall be clearly identified with a shelf-life expiration date. Items with a limited shelf-life shall be delivered with a minimum of [75]% of available shelf-life remaining.

10.3 If the Supplier provides Aeronautical Goods, then: (i) Supplier shall maintain a certification in accordance with AS9100 (latest revision); (ii) the Supplier shall supply a first article inspection report and copies of supporting documentation, in accordance with SAE-AS9102, IAQG standard 9102 and MAA1-10042-2 for any Items within the Purchase Order, prior to or with the first delivery of Items, or upon request by the Purchaser, and deliver to the Purchaser all relevant inspection or test reports; (iii) the Supplier shall procure goods or services for Aeronautical Goods only from sources approved by the Purchaser and/or the Customer.

## **11. Tooling**

### **General provisions**

11.1 Unless otherwise agreed in the Purchase Order the Purchaser shall be under no obligation to supply Tooling to the Supplier and Supplier shall be solely responsible for all Tooling (including maintenance thereof) and any costs related thereto. The Supplier warrants that it has full legal or beneficial title (including licenses from third parties owning Tooling), to use all Tooling which is necessary for the manufacture of the Items.

11.2 The Supplier shall be solely responsible for the proper functioning, use, rework, repair, replacement and maintenance of all Tooling and warrants that all Tooling shall be fit for manufacture of Items. The Supplier assumes the risk of and shall be responsible for any loss of or damage to Tooling.

11.3 Supplier shall not use Tooling supplied or owned by the Purchaser or Specific Tooling, otherwise than for the manufacturing of Items under the Contract with the Purchaser.

### **Tooling supplied or owned by the Purchaser**

11.4 The Purchaser shall at all times retain title to Tooling supplied or owned by the Purchaser and Supplier shall at all times protect the Purchaser's interests therein. All such Tooling must be identified as "Property of the [name of the Purchaser]".

11.5 Supplier shall not be entitled to sell, lease or otherwise dispose of the Tooling supplied or owned by the Purchaser. The Purchaser hereby grants a royalty-free and non-exclusive license to the Supplier to use the Tooling supplied by the Purchaser solely for the purpose of performing its obligations under a Purchase Order.

11.6 Supplier shall maintain comprehensive records, in written form or in any other form embodied in materials, of all events or transactions with respect to Tooling supplied by the Purchaser, including, but not limited to, repair, loss and scrapping, and the reasons therefore and identifying corrective and/or preventive actions. The Purchaser shall be entitled to inspect and/or receive a copy of such records on request.

11.7 Upon performance of the work under the relevant Purchase Order, or upon completion of the last Delivery, or upon the Purchaser's written instructions, whichever comes first, the Supplier shall return and deliver to the Purchaser, at the Supplier's expense, all Tooling supplied by the Purchaser, in the condition in which it was received, except for reasonable wear and tear.

**Specific Tooling**

11.8 The Supplier shall submit to the Purchaser full details of the proposed design of Specific Tooling for the manufacture of Items and obtain the Purchaser's written approval prior to commencing manufacture thereof. All proposed amendments or modifications to Specific Tooling shall be submitted to the Purchaser for approval prior to their implementation. Such approval by the Purchaser shall not release the Supplier from any responsibility or obligation under the Contract.

11.9 Specific Tooling shall as from its creation be the sole and exclusive property of the Purchaser. In respect of Aeronautical Goods, the list of Specific Tooling shall be ready and delivered upon the First Article Inspection, in accordance with the procedure described in SAE-AS9102.

11.10 Upon performance of the work under the relevant Purchase Order or upon completion of the last Delivery or upon the Purchaser's written instructions, whichever comes first, the Supplier shall dispose of Specific Tooling in accordance with the Purchaser's instructions. In case the Purchaser instructs the Supplier to deliver the Specific Tooling to the Purchaser, such Tooling will be accompanied by any and all data such as tool planning and tool drawings.

**12. Security**

Upon first demand of the Purchaser, Supplier shall provide the Purchaser with a security for performance of its obligations under the Contract, in form and substance acceptable to the Purchaser in its sole discretion.

**13. Warranties**

13.1 The Supplier hereby warrants to the Purchaser that each Item shall (i) conform to the latest issue of the Specifications, (ii) be free from defects, including but not limited to, defects in workmanship, manufacturing, design and material, (iii) only contain materials that are new, (iv) with respect to a service, be performed with due skill and care in accordance with best industry practices; (v) at all times comply with any Applicable Law on the market where the Items will be sold, incorporated or used, and (vi) be free and clear from any lien, encumbrance, reservation of title or other restriction.

13.2 Such warranty shall survive inspection, test, acceptance of and payment for the Items. Supplier's warranty shall remain in full force and effect for the intended lifetime of the Item which shall not be less than sixty (60) months after Delivery. In respect of Items which are repaired or reworked, or of which a part or component is rejected, repaired or reworked; a new warranty period shall start to run upon Delivery of the repaired or reworked Item or part of component thereof.

13.3 Upon the discovery of a non-conformity or defect which is subject of the Supplier's warranty, the Purchaser will notify Supplier of any such defect. If the Purchaser requests Supplier to repair or replace any defective Item or part thereof, Supplier shall repair or replace the same within a reasonable delay as may be specified further in the Specifications but in any event not later than one month after the discovery. If Supplier does not complete repair or replacement within such reasonable delay, the Purchaser shall be entitled, in its sole discretion, to exercise one or more of the options mentioned in article 6.4 of these GTC, at Supplier's risk and expenses.

13.4 In the event that the Item is incorporated in an Aircraft, the Purchaser may instruct the operator of such Aircraft to take corrective actions in respect of the Item. The costs incurred by the operator in carrying out such corrective actions shall be borne by Supplier and Supplier shall reimburse such costs within thirty (30) Days of receipt of the Purchaser's invoice.

13.5 The Supplier warrants that it is, and that the Purchaser has relied upon Supplier as an expert fully competent in all aspects and phases of the work involved in manufacturing and supplying the Items. Supplier agrees that it shall not deny any responsibility or obligation to the Purchaser on the grounds that the Purchaser has given any instructions, approved any documentation or drawings prepared, provided or produced by Supplier or the manufacturing facilities and techniques used by Supplier.

13.6 The Supplier shall for the duration of the warranty period keep available an appropriate level of spare/wear parts, at no cost to the Purchaser.

13.7 Supplier's warranty does not exclude any other warranties whether expressed or implied by law or the Contract.

#### 14. Force majeure

14.1 Neither Party shall be liable for any delay or non-performance in its obligations under the Contract and the date on which such Party's obligations are due shall be extended by a period which does not exceed the period of the delay, when such delay, or the impossibility to perform is due to any cause that is compelling, unpredictable, unavoidable, beyond its control and not due to its fault or negligence ("Force Majeure"), and the Party claiming Force Majeure has complied with its obligations under article 14.2 of these GTC. Covid-19 shall not be considered as force majeure.

14.2 The Party claiming force majeure shall inform the other Party immediately after becoming aware of the occurrence of the force majeure event. The Party claiming excusable delay shall take all reasonable measures to mitigate the effects of the event of excusable delay and shall, as soon as practicable after such event ceases to prevent or hinder its performance of the Purchase Order, resume performance and notify the other Party in writing thereof and the actual effect (if any) of the said event on the performance of that Party's obligations.

#### 15. Termination

15.1 Termination for Default. If an Event of Default shall occur the Purchaser shall have the right to exercise one or more of the following options: (i) termination: the Purchaser may, by giving written notice to the Supplier, immediately terminate the Contract and/or any Purchase Order, in whole or in part, and the Purchaser shall not be required after such notice to accept the Delivery by the Supplier of any Items with respect to which the Purchaser has elected to terminate the Purchase Order(s); (ii) cover: the Purchaser may manufacture, produce or provide, or may engage any other persons to manufacture, produce or provide any Items in substitution for the Items, at Supplier's costs; (iii) rework or repair: the Purchaser may rework or repair, or may engage other persons to rework or repair any Items; (iv) set-off: the Purchaser shall, at its option, have the right to set off against and apply to the payment or performance of any obligation, sum or amount owing at any time to the Purchaser under any Purchase Order, all deposits, amounts or balances held by the Purchaser for the account of the Supplier and any amounts owed by the Purchaser to the Supplier, regardless of whether any such deposit, amount, balance or other amount or payment is then due and owing and even if such sums do not originate from the same contract or are otherwise not closely connected; and/or (v) recover from the Supplier the difference between the price for each terminated Item and the aggregate costs paid or incurred by the Purchaser to manufacture, produce, provide, engage other persons to manufacture, produce or provide, or to rework or repair the Items.

15.2 Termination for convenience. The Purchaser may, from time to time and at the Purchaser's sole discretion, terminate the Contract and/or any or all Purchase Orders, in whole or in part, by written notice to the Supplier. Any such written notice of termination shall specify the effective date and the extent of any such termination. On receipt of a written notice of termination the Supplier shall, unless otherwise directed by the Purchaser: (i) immediately stop work as specified in the notice; (ii) immediately terminate its subcontracts and own purchase orders relating to the work which is the subject of the termination; (iii) settle any termination claims made by its suppliers, provided that the Purchaser shall have approved the amount of such termination claims prior to such settlement; (iv) preserve and protect all terminated inventory and Items; (v) at the Purchaser's request, transfer title, to the extent not previously transferred and delivered to the Purchaser or the Purchaser's designee, all supplies and materials, work-in-process, Tooling, raw materials, manufacturing drawings and other data produced or acquired by the Supplier for the performance of any Purchase Order, all in accordance with the terms of such request; (vi) take all reasonable steps required to return, or at the Purchaser's option and with the Purchaser's prior written approval, to destroy all the Purchaser proprietary information and Items in the possession, custody or control of the Supplier; (vii) take such other action as, in the Purchaser's reasonable opinion, may be necessary, and as the Purchaser shall direct in writing, to facilitate termination; and, (viii) complete performance of the work not terminated, as specified in the termination notice.

15.3 Supplier's claims. If the Purchaser terminates any or all Purchase Orders in whole or in part pursuant to article 15.2, the Supplier shall have the right to submit a written termination claim for the work in process at the moment of termination. Such termination claim shall be submitted to the Purchaser not later than six (6) months after the Supplier's receipt of the termination notice. Such claim must contain sufficient detail to explain the amount claimed and the allocation of the costs, including detailed inventory schedules and a detailed breakdown of all costs claimed separated into categories, including but not limited to materials, purchased parts, finished components, labour, general and administrative burden.



Unless otherwise provided in the Purchase Order the Purchaser shall reimburse the non-amortised part of the non-recurring costs (NRC) upon termination of the relevant Purchase Order(s) only if such termination was caused without default on the side of the Supplier.

If the Supplier fails to submit a termination claim within the said time period, the Supplier shall be barred from submitting a claim and the Purchaser shall have no obligation for payment to the Supplier, except for those Items previously delivered and accepted by the Purchaser.

15.4 Maximum Liability. The Purchaser's liability for any loss or damage resulting from any termination shall not exceed the price of the Items as per the terminated Purchase Order(s) which is/are the subject matter of the work in process at the moment of termination.

## **16. Liability and Indemnification**

16.1 The Supplier shall be liable for, and indemnify and hold the Purchaser harmless, from and against any and all damages, costs, claims, losses, liabilities, suits, judgments, expenses or penalties or the like (the "Damages") (i) in any way connected with the death of or injury to any persons whomsoever or loss of or damage to any property of any person, body or company arising directly or indirectly or consequentially from the sale, use or incorporation of Items, and/or from non-conformities or defects, and/or in general any acts or omissions of the Supplier, and/or (ii) arising directly or indirectly or consequentially from the sale, use or incorporation of Items, and/or from non-conformities or defects and/or from any non-compliance by the Supplier (or its sub-contractor) with the provisions of the Contract, except to the extent that such Damages have arisen as a result of any fraudulent acts or willful misconduct of the Purchaser or of any of the Purchaser's employees or other representatives.

16.2 The Supplier will immediately notify the Purchaser if he becomes aware that any Item may constitute a risk of death or personal injury and/or material injury and/or any other damages or is defective or non-conforming, and the Supplier will comply with any requirements of the Purchaser in respect of that Item, including any safety recall.

16.3 The Purchaser shall not be liable towards the Supplier or its employees, except in case of fraudulent acts or willful misconduct.

## **17. Insurance**

The Supplier will at all times maintain appropriate and adequate insurances for a sufficient amount in line with the size and scope of and the risks related to the Purchase Order, including without limitation general liability insurance and product liability insurance including recall and replacement of the Items which in case of Aeronautical Products shall include aviation product liability insurance. The Supplier shall also insure the Items against risk of loss or damage until Delivery. Upon the Purchaser's reasonable demand, Supplier shall procure additional insurance or additional coverage, at Supplier's costs. At the Purchaser's request, the Supplier will provide proof of the insurances referred to above under the form of an insurance certificate.

## **18. Employees**

18.1 Each Party shall make sure that its employees involved in the performance of the Contract shall be fully trained, skilled, qualified, experienced and capable of fulfilling the Supplier's obligations.

18.2 Employees of each Party are and remain at all times that Party's employees, and cannot be considered as employees of the other Party. Each Party shall have exclusive control and direction of, and be liable for, its employees engaged in the performance of the work. The Supplier shall indemnify, defend and hold harmless the Purchaser from and against all claims by the Supplier's employees or from third parties, including but not limited to social security authorities, against the Purchaser alleging that the Purchaser is the employer of such employees.

18.3 The Supplier will indemnify and hold harmless the Purchaser and the Purchaser's employees and other representatives for any and all claims made by Supplier's employees, except in case of fraudulent acts or willful misconduct of the Purchaser or of any of the Purchaser's employees or other representatives.

## **19. Assignment – Sub-Contracting**

19.1 The Purchaser may at any time assign the whole or part of the Purchase Order to any of its affiliates without the consent of the Supplier.

19.2 The Supplier shall not assign or sub-contract all or any part of its obligations under the Purchase Order without the prior written consent of the Purchaser.

19.3 Any sub-contract placed by the Supplier shall be and remain the sole responsibility of the Supplier and the Supplier shall procure that it shall be subject to the same terms and conditions as contained in the Contract, in so far as they are applicable and necessary to protect the Purchaser's interests. Notwithstanding the foregoing, any sub-contract shall include where necessary the rights of the Purchaser as a third party so that the Purchaser shall be entitled to enforce rights under such sub-contract.

## **20. Confidentiality**

20.1 Unless otherwise provided in a Purchase Order, all information, either oral or written, or embodied in materials, which are provided by the Purchaser to the Supplier, shall be considered by the Supplier as trade secrets and confidential information of the Purchaser. The Supplier shall not disclose, publish or reproduce, in whole or in part any confidential information, and shall not make use of such information other than as is strictly necessary for the performance of work under the Contract.

20.2 The Supplier agrees that all confidential information received from the Purchaser will be disclosed only to its employees, consultants, subcontractors and suppliers on a need-to-know basis and the Supplier undertakes that each of such persons shall be bound by the same obligations in respect of confidential information as those contained in the Contract.

20.3 In case the Supplier or any of his employees, agents, officers, directors or subcontractors breach this obligation of confidentiality, the Purchaser may immediately and without further notice terminate any or all Purchase Orders in whole or in part in accordance with article 15.1 of these GTC.

20.4 The Purchaser is authorized to disclose confidential information received from the Supplier to its employees, consultants, subcontractors and suppliers, and those of its affiliates, on a need-to-know basis.

20.5 This article 20 is in addition to and does not prejudice in anyway the provisions of any confidentiality agreement that has been or may be entered into between the Purchaser and Supplier.

## **21. Intellectual Property Rights**

21.1 The Supplier shall fully and effectively defend, indemnify and hold harmless the Purchaser and its Customers against any and all claims, liability, losses, costs, damages or expenses whatsoever, including any loss of profits which may be incurred by the Purchaser or its Customers, as a result of any infringement or alleged infringement by the Supplier of any Intellectual Property Rights, patent or registered design in any Item or otherwise in relation to the Contract, or the manufacture, sale, installation, use, service, maintenance, operation or enjoyment of the Items.

21.2 The Purchaser shall notify the Supplier promptly upon receipt of any claim or notice of infringement of any third-party rights. The Supplier shall immediately take all steps to prevent or settle such dispute and shall at all times indemnify the Purchaser against all effects whatsoever thereof.

21.3 The Supplier shall not deliver any Counterfeit Goods or Items that contain Counterfeit Goods.

## **22. Export Control**

22.1 The Supplier shall be responsible for obtaining all necessary permits, licenses and other approvals, including inter alia export licenses and making all registrations for the performance of its obligations.

22.2 When disclosing technical data, Supplier shall timely notify the Purchaser of the existence of any export control restrictions and, if a license is required, shall ensure that the appropriate license is in effect, and a copy is provided, before release of such technical data. The Supplier shall provide the Purchaser with all relevant information and documents in that regard (e.g., ECCN number).

**23. Compliance**

23.1 The Supplier represents and warrants that the Items, its operations, and its executives, employees, agents and any individuals or companies that may be involved in the execution and/or the performance of the Contract comply, and shall at all times continue to comply, with (i) any Applicable Law, (ii) the Montana Aerospace Supplier Code of Conduct, (iii) and other requirements as may be imposed by the Purchaser in its reasonable discretion. The Purchaser is entitled to perform audits at the Supplier to verify compliance with these GTC.

23.2 The Supplier shall establish and maintain an environmental management system, which is conform to ISO14001, in a documented manner and shall supply Items and packaging materials in accordance with this environmental management system. Supplier confirms that its processes and operations are in conformity with the applicable environmental regulations and legislations. The Supplier undertakes to supply the Purchaser with all necessary information that will allow the Purchaser to incorporate the effect of Supplier's Items in the life cycle assessment of the relevant the Purchaser item, in accordance with ISO14001. Supplier will also confirm that the Items do not contain substances forbidden under any Applicable Law.

23.3 All possible costs, taxes, fees and burdens associated with compliance to the requirements of this article 23, are at the cost of the Supplier only, without recourse against the Purchaser. The obligation set forth in this article 23 is an essential obligation under the Contract and if the Supplier fails to fulfil or meet this obligation the Purchaser is entitled to terminate the Purchase Order in accordance with article 15.1.

**24. Communication and Publicity**

24.1 The Purchaser is responsible for all contacts with the Customer relating to the manufacturing and supply of Items by the Supplier and Supplier shall not make any contact with the Customer for any reason relating to such Items.

24.2 Neither Party shall use in any way, or refer to in the form of public announcement or news release, the existence of the Contract and its purpose, any of the filed or registered trademarks, logos or company name of the other Party or the Customer, unless a prior written consent is given by this Party.

**25. Miscellaneous Provisions**

25.1 Continued Performance. The Supplier shall, unless otherwise instructed by the Purchaser, in all respects continue to observe and perform its obligations under the Contract during the period of any dispute or disagreement. Any exception of non-performance is hereby explicitly excluded. The Parties agree that this clause is fair and justified in order to protect the Customer programme and the deliveries to the Customer which is in the best interest of all Parties as any disruption in the supply to the Customer is likely to cause significant damages to both Parties.

25.2 No Hardship or Change in Circumstances. None of the Parties shall be entitled to renegotiate or terminate this Agreement, or alter any of the terms hereof, in case of hardship or any change in circumstances even if such change has rendered the performance of this Agreement more onerous than reasonably foreseeable at the time the Agreement was entered into.

25.3 Interpretation and Language. All documents and communication with respect to or in connection with the Contract shall exclusively be done in English. None of the clauses of this Agreement shall be interpreted against a Party for the sole reason that that Party was responsible for the drafting or editing of such clause.

25.4 Cumulative Remedies. All rights and remedies of the Purchaser under the Contract, or at law shall be cumulative and not mutually exclusive and the exercise of one shall not be deemed a waiver of the right to exercise any other. Nothing contained in the Contract shall be construed to limit any right or remedy of the Purchaser now or hereafter existing.

25.5 No Waiver. Any failure or delay by the Parties in exercising any right or remedy arising under the Contract or out of any default or breach hereunder, shall not operate or be interpreted as a waiver (either express or implied, in whole or in part) of that Party's rights or remedies, nor shall it preclude any further exercise of any such rights or remedies. Any waiver of a right or remedy must be express and in writing. If there has been an express written waiver of a right or remedy, this waiver cannot be invoked by the other Party in favor of a new default or breach under the Contract, similar to the prior one, and such waiver shall not be construed to constitute a waiver of any other

rights or remedies. No acceptance of partial payment or performance of any of the Supplier's obligations hereunder shall constitute a waiver of any Event of Default or a waiver or release of payment or performance in full by the Supplier of any such obligation.

25.6 No Joint Liability. If there is more than one Purchaser, then each Purchaser shall be solely and severally liable for the performance of its obligations under the Contract. Nothing in the Contract shall be construed or interpreted as creating any joint liability between the Purchasers

25.7 Severability. If any provision of the Contract or part or degree thereof is, or is found by any authority or court of competent jurisdiction to be, invalid, illegal, not applicable or unenforceable in any jurisdiction, such invalidity, illegality, inapplicability or unenforceability shall not affect the other provisions of the Contract, or the other parts or degrees thereof, in that jurisdiction or any other jurisdiction, all of which shall remain in full force and effect. The Parties will agree on substitute provisions that, while valid, legal, applicable and enforceable, will achieve the fullest possible extent the original purpose and intention of the Parties with the invalid, illegal, not applicable or unenforceable provisions or part or degrees thereof.

25.8 Entire Agreement. The Contract constitutes the entire agreement between the Parties and supersedes all prior agreements or arrangements, oral and written, between the Parties relating to the subject matter thereof. No amendment or modification of the Contract shall be binding on the Parties, unless made in writing and duly executed by both Parties.

25.9 Applicable law. The Contract is construed in accordance with and is governed by the laws of the principal place of business of the Purchaser, excluding its conflict of laws provisions, as are any non-contractual obligations and claims in tort or other arising out of or in connection with the Contract. The application of the 1980 United Nations Convention on Contracts for the International Sales of Goods and the Convention of New York of 14 June 1974 on the Limitation Period in the International Sale of Goods, all as amended from time to time, is hereby explicitly excluded.

25.10 Jurisdiction. The Parties irrevocably agree that any dispute or claim, shall be submitted for final settlement to the exclusive jurisdiction of the International Court of Arbitration of the International Chamber of Commerce and shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. Language of the arbitration proceedings shall be English, and the venue of the arbitration tribunal shall be Brussels. Each of the Parties irrevocably agrees that any arbitral award shall be final and binding. Nothing in this article or elsewhere in this Agreement shall preclude or limit any Party's rights to seek temporary or permanent injunctive or other similar relief in any court, authority or other forum having jurisdiction. Notwithstanding the foregoing, each Party may also submit any such dispute or claim to the courts of the registered office of the Purchaser.

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE CONTRACT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THE CONTRACT OR THE TRANSACTIONS CONTEMPLATED THEREBY.

## 26. Specific Conditions for Items requiring Installation

26.1 Definitions:

**Advance Payment** – any payment made by the Purchaser to the Supplier prior to Successful FAT.

**Deliverable** – all documents, data and information to be provided by the Supplier to the Purchaser under the Contract, including without limitation the Item Documents.

**FAT** – final acceptance and testing of the Items as set forth in article 26.7.

**Installation** – Erection, construction, installation, assembly and/or commissioning of the Items or parts thereof fully in accordance with the provisions of the Contract, state of the art requirements and good industry practices, including without limitation performing the various test as specified in the Contract, checking all connections and all different components and parts (if any) of the Item, prior to the starting up of the Item.

26.2 This article 26 only applies to Items for which Installation is included in the scope of work of the Supplier under the Contract. In case of conflict or inconsistency between this article 26 and any other provision of these GTC, then this article 26 shall prevail.

26.3 The Supplier shall be the sole responsible for Installation of the Item, unless specifically agreed otherwise in the Contract. The Supplier undertakes to handle and complete Installation and to provide all material, Tooling, equipment and alike to that effect.

26.4 Up to successful FAT, the Supplier shall be the sole responsible for performing the various test, , checking all connections, checking the operation of all different components and parts (if any) of the Item, all as may be further specified in the Contract.

26.5 Supplier shall provide to the Purchaser all Deliverables in accordance with the terms of the Contract, including a complete set of Item Documents, at the latest upon completion of the successful FAT.

26.6 Irrespective of the applicable Incoterm, Delivery of the Item shall be deemed to have been made upon completion of the Installation and successful FAT.

26.7 The Item shall be subject to inspection by the Purchaser (i) at Purchaser's request, at Supplier's premises before shipment (the "**Preliminary Acceptance Testing**" or "**PAT**"), (ii) upon completion of the Installation at the Purchaser (the "**Temporary Acceptance Testing**" or "**TAT**"), and (iii) three (3) months after TAT (the "**Final Acceptance Testing**" or "**FAT**"). Supplier shall take such actions and do such things as may be needed to ensure successful FAT. FAT shall only be successful ("**Successful FAT**") when it is confirmed (i) that the Item has been delivered and its Installation has been made and all tests have been performed and all Deliverables have been provided to the Purchaser, all in accordance with the Contract in all aspects, (ii) that the Item meets the Specifications and is free from any and all visible defects and non-conformities and (iii) that the Item is in good working condition ready for use in Purchaser's operations, all as to allow final acceptance of the Item. If FAT is not successful, Supplier shall take such actions and do such things as may be needed to remedy any issues revealed during unsuccessful FAT and to ensure Successful FAT within 30 calendar days as from the unsuccessful FAT, provided however that the Purchaser shall be entitled to take possession of the Item or any part thereof and to further test and/or start operating it or start using it in its operations.

26.8 No inspection, approval of samples or any formal documentation prior to Successful FAT, nor any failure to inspect, nor any use of the Item prior to Successful FAT can be considered as a final acceptance. Final acceptance of the Item shall not occur prior to Successful FAT.

26.9 Inspection and acceptance shall only cover the non-conformities and the defects of the Item which are clearly visible or, if the inspection and acceptance procedure provides for unpacking and/or special testing, those which become apparent when unpacking and/or testing. All other non-conformities and defects shall not be covered.

26.10 In case the Item as a result of the Installation would become real property, then title to the Item shall pass from the Supplier to the Purchaser as Installation progresses. Risk to the Item shall however remain with the Supplier until Delivery.

26.11 At the Purchaser's request, the Supplier shall provide the Purchaser with an abstract first demand bank guarantee constituting an own and independent commitment of the guarantor as main debtor towards the Purchaser, in form and substance acceptable to the Purchaser in its sole discretion, guaranteeing the performance by the Supplier of its obligations under and in connection with the Contract (including without limitation repayment of any Advance Payments if such right to repayment would arise) up to a maximum amount equal to the Advance Payments. Supplier shall provide the Purchaser with such guarantee specifying the maximum amount of the guarantor's commitment, at least ten (10) Days prior to any Advance Payment and the receipt of such guarantee by the Purchaser shall be a condition precedent to the Purchaser's obligation to make such Advance Payment. The guarantee shall come into effect upon receipt of the Advance Payment by the Supplier and shall continue to be in full force and effect until Successful FAT. The guarantee shall not be subject to any other condition than the Purchaser's statement sent by registered mail that the called-for amounts are due.

26.12 The Supplier's warranty shall survive inspection, test, acceptance of and payment for the Item. Supplier's warranty shall start from Successful FAT of each Item or the moment the Item is put into operations other than for testing purposes, whichever comes earlier, and shall remain in full force and effect for a period of twenty-four (24) months thereafter. The warranty period shall automatically be extended with (i) a period corresponding to any downtimes or unavailability of the Item for which the Supplier is liable, and (ii) a period during which the minimum availability targets

as agreed in the Contract are not achieved and unless otherwise agreed such availability target shall be 100%. In respect of Items which are rejected by the Purchaser and which are repaired or reworked, or of which a part or component is rejected, repaired or reworked; the period of warranty shall start from Successful FAT of such Item, or part or component thereof, or the moment such Item, or part of component thereof, is put into operations other than for testing purposes. Notwithstanding the foregoing, in case the Item relates to any works to structural aspects of a building or other construction and/or the stability thereof, then the warranty period shall be ten (10) years as from final acceptance of such works.

\* \* \*