

General Conditions of Purchase

Definitions

For the purpose hereof, **EPCOR** shall mean European Pneumatic Components Overhaul and Repair B.V., **Supplier** shall mean the party to whom an Order is issued. **Defects** shall mean any non-compliance with Article 7 hereof. **Supply of Products** shall mean the purchase of goods or the procurement of services by EPCOR under an Order. **Order** shall mean EPCOR's purchase order. An Order includes delivery instructions and instructions for marking and transport documentation if applicable. Any reference to "Order" made herein shall include a reference to the above documents, which shall form an integral part thereof.

1. Applicability and scope

These General Conditions of Purchase shall apply to all transactions under the Order regarding the Supply of Products to EPCOR. The applicability of Supplier's general conditions is expressly excluded. Deviations from or additions to these General Conditions shall only be binding if and to the extent EPCOR has given its prior consent thereto in writing.

2. Orders and Order confirmation

Orders shall be deemed accepted by Supplier in all aspects unless otherwise notified by Supplier to EPCOR within seven (7) days after Order issue date. At any time, EPCOR shall have the right to cancel an Order free of costs within seven (7) days after Order issue date. Cancellation of Orders by EPCOR, subsequent to the term, can only be effected on reimbursement by EPCOR of reasonable and documented costs incurred by Supplier as a direct result of such cancellation. Changes to Orders shall only be valid if agreed upon by EPCOR in writing.

Supplier shall, upon receipt of an Order, notify EPCOR in writing if the Product or part thereof, including the technical documentation, is subject to any type of export control regulation and this is

prerequisite to the entering in force of the Order. Supplier warrants that all such information is provided is correct, complete, and accurate and Supplier shall notify EPCOR of any change, or expected change, which would alter the export control regime.

For each Product, the Supplier shall indicate whether the Product is:

- i) Controlled as "defense item" under the applicable (re)export regulations. The Supplier shall provide the Munitions list category for the subject Product (refer to USML, EU Common Military List or other national list); or
- ii) Controlled as "dual use item" under the applicable (re)export. If subject to non-US regulations, Supplier shall provide the entry (ref EU Common Dual Use List or other national list. If subject to US Export Administration (EAR), Supplier shall provide the Export Control Classification Number (ECCN) or EAR 99; or
- iii) Not controlled.

Supplier shall timely and for its own expenses make an application to the applicable authorities, for any license or export authorisation for the use of the Product by EPCOR or its customers or any other end-user specified by EPCOR.

In the event that the export and/or re-export of the Product or part thereof is subject to the granting of a license by the applicable authorities, the Order will enter in force only

upon the effective date of such license. Supplier shall inform EPCOR of such issuance and shall provide EPCOR of a valid duplicate of such license or a certificate describing the associated restrictions applicable to the transfer or re-export of the Product or part thereof to a third party and any other documents required by EPCOR.

In the event a license would be withdrawn, not renewed or no longer valid and this is attributable to Supplier, EPCOR shall be entitled to terminate, in whole or in part, all Orders and/or agreements without prejudice to any rights or remedies of EPCOR hereunder or by law.

Supplier shall indemnify and hold harmless EPCOR and its customers from and against any and all consequences of any claims of export control authorities against EPCOR or its customers in connection with the use or operation of the Product and from and against any and all costs, losses and damages related thereto.

3. Packaging and forwarding

The Supplier shall be obliged to pack the Products in accordance with ATA 300 specifications for forwarding to the place of delivery in accordance with the instructions of EPCOR.

4. Delivery

The Supplier shall deliver the Products on the agreed delivery date and at the agreed place of delivery as specified in the Order. Timely delivery shall under all circumstances be of the essence.

The Supplier shall notify EPCOR in writing without delay if circumstances arise which mean that the shipping date referred to on the Order is likely to be exceeded.

Except in case of force majeure, if Supplier fails to deliver the Products on the date specified in the Order, Supplier shall forfeit a penalty of two percent (2%) of the net purchase price for each calendar week the delay continues up to a maximum of five percent (5%), without further action or default notice is being required, or if Supplier fails to deliver the Products on the date specified in the Order, EPCOR shall have the right to cancel the Order without cost. This provision shall not affect any rights of EPCOR hereunder or under applicable law. Supplier shall forthwith inform EPCOR of any foreseeable delay in the delivery of the Product, failure of which will deprive Supplier of its right to impute a delay to force majeure. Non-performance by Supplier's suppliers shall under no circumstances constitute a force majeure. Supplier shall compensate EPCOR for any reasonable costs due to the delivery of the Product prior to the agreed delivery date.

Unless otherwise provided for in the Order, title to and risk of loss or damage to the Product and its accessories shall pass to EPCOR upon delivery of the Product. Delivery shall take place Ex-Works as defined in the Incoterms issued by the International Chamber of Commerce, latest version, as amended from time to time, or as otherwise provided in the Order.

5. Acceptance of deliveries

The Products delivered shall be inspected by EPCOR on manifest discrepancies, deficiencies and damages (hereinafter collectively referred to as "Discrepancies") within a reasonable period after delivery. Products which do not fully meet EPCOR's requirements may be rejected, in which case EPCOR shall give notice of the rejection to the Supplier within thirty (30) days. EPCOR may, at its sole option, require Supplier either to replace the Product or to restore any Discrepancy to the Product at no additional costs to EPCOR. After communicating its rejection of the Products, EPCOR may retain the Products in its possession at

the risk of the Supplier until further instructions have been received from the Supplier, or may return the Products to the Supplier at the expense and risk of the latter in the event of rejection of the Products, and the Supplier shall be obliged to reimburse EPCOR for all expenses incurred by EPCOR in connection with the Order. If Supplier does not restore such Discrepancy or supply the required certificates or other accessories within the term indicated by EPCOR, then EPCOR may at its sole option either (i) dissolve the agreement under the Order by written notice, (ii) restore the Discrepancy itself or have such Discrepancy restored by a third party, at Supplier's costs or, as the case may be, (iii) certify the Product itself or arrange for the required accessories, at Suppliers costs.

The above rights of EPCOR are without prejudice to any additional or other rights EPCOR may have hereunder (including warranty and remedy provisions) or under applicable law.

6. Quality, inspection and certification

The Supplier shall be responsible for adequate and effective quality control. Prior to delivery, the Supplier shall allow EPCOR, EPCOR's customers, officials designated by EPCOR, officials of the Civil Aviation Authority, as well as other competent governmental authorities to inspect the Products and shall grant them all facilities required for this purpose. In no event shall inspection imply acceptance of the Product by EPCOR, nor will it constitute a release or waiver of any rights of EPCOR hereunder.

The Product shall be delivered with all relevant certificates or documents as mentioned in the Order. Failure to deliver the Product with such certificates or documents will result in a Discrepancy as defined in Article 5 here above.

7. Warranty

The Supplier explicitly warrants that the Products will:

- (i) be complete in every respect, in good working order and condition, fit for the purpose for which they are intended and will be free from defects in design, manufacture, workmanship and material;
- (ii) comply with the requirements as per the Order, specifications, drawings, calculations and other information or documents furnished by EPCOR and comply with the applicable Civil Aviation Authority and other regulations; and
- (iii) not infringe on any patents or other applicable intellectual property rights.

Supplier further guarantees that there are no "Conflict Minerals" used in the manufacturing of the Product(s) as sold and supplied to EPCOR under these terms and conditions and/or specific Order(s). Supplier will actively support EPCOR in the latter's "Conflict Minerals" due diligence efforts, by disclosing relevant information in regard thereto to EPCOR upon first request. EPCOR has the right to assign its rights under Article 7 and 8 hereof to its customer without any consent of Supplier being required.

Supplier shall be compliant with the REACH European Community Regulation on chemicals and their safe use (EC 1907/2006). Consequently, Supplier undertakes to supply EPCOR with all the Material Safety Data Sheets ("MSDS") requested under REACH Regulation. Furthermore, Supplier shall provide at any time, upon EPCOR's request, a copy of a given MSDS by email or other normal non-Order related communication. Supplier shall forward such requested MSDS copies in the manner and to the destination specified by EPCOR.

8. Remedies

In the event of any Defects becoming apparent during the term of i) thirty six (36) months for factory new parts, ii)

twenty four (24) months for overhauled parts and iii) and twelve (12) months for repaired parts, as of the date of first use of the Product by EPCOR or its customer, EPCOR shall with due dispatch inform Supplier in writing of such Defect stating the required remedy. In case of any Defect, EPCOR shall have the following remedies (at its sole option): i) replacement of the defective Product, ii) correction or repair of the Defect, or (iii) dissolution of the agreement under the Order. Disassembly and return transportation of a defective Product shall be for the risk and account of Supplier. If the Supplier does not or not within the term indicated by EPCOR correct or repair the Defect, then EPCOR may either correct or repair such Defect itself or have such Defect corrected or repaired by a third party, at Supplier's costs. In the event the agreement under the Order is dissolved by EPCOR pursuant to Article 5 and 8 hereof, then any costs of redelivery (including transportation expenses) shall be for the account of Supplier. Title to and risk of loss or damage to the Product shall upon dissolution automatically return to Supplier and EPCOR shall have the right of pledge on the defective Product for costs or damages resulting from the dissolution of the agreement under the Order.

9. Indemnification

The Supplier indemnifies EPCOR from and against any and all claims, damages, liabilities, penalties, fines, costs and expenses, including attorney's fees, arising out of claims, suit, allegations or charges, as a result of (i) Supplier's failure or to perform properly any obligation arising out of the Order, and/or (ii) any Defect in the Product, and/or (iii) any infringement by Supplier (and/or its subcontractor) of any patent or other applicable intellectual property rights of a third party and/or related to the Product, and/or (iv) Supplier's failure to comply with Article 18.

This indemnification does not apply as far as the Products ordered are manufactured in accordance with the models, designs or drawings supplied by EPCOR. EPCOR shall inform the Supplier as soon as possible of the service of notices or claims by third parties and shall provide the Supplier with all available data and documents of importance to the defence. The Supplier shall be entitled to negotiate directly with the claimant and to conduct or take over legal proceedings against the latter.

10 Special tools and equipment

If the Supplier develops or manufactures special tools, equipment or technical information in connection with an Order placed by EPCOR, the costs thereof are deemed to be included in the agreed price, unless explicitly agreed otherwise. The costs of manufacture or development shall, however, be specified separately on the invoice. If it has been agreed that the costs of special tools, equipment or technical information will be amortized over the present and future Orders, the part chargeable to the present order shall likewise be specified separately, stating the total amount of said costs and the number of units over which the total costs have been or will be amortised. Special tools, equipment and technical information manufactured by the Supplier shall become the property of EPCOR and shall be placed at its disposal immediately upon request as soon as EPCOR has paid the costs thereof in full. If full payment for such tools and equipment has not yet been made, EPCOR shall be entitled to purchase them at the cost price less the amounts already paid.

Any tooling, equipment, materials or other goods as well as technical information contained in documents, drawings or software provided by EPCOR to Supplier in relation to EPCOR's Order, shall at all times remain the property of EPCOR and, to the extent it concerns technical information, be kept confidential by Supplier.

11. Subcontracting

The Supplier is not permitted to have all or part of an Order for the manufacture, repair or processing of goods carried out by a third party, unless EPCOR has explicitly granted consent prior in writing for this purpose. Such consent may be made conditional. The Supplier shall, however, at all times remain fully responsible and liable for the work contracted out.

12. Duty to provide information and observe secrecy

The Supplier declares that it has proved and will provide EPCOR with all data and information about facts and circumstances which may be of importance for EPCOR and has not kept back and will not keep back any information which might be of importance in that connection. The Supplier shall not provide third parties with any information about this Order and/or matters regarding EPCOR, which have come to its attention as a result of its relationship with EPCOR, without the prior written consent of EPCOR.

13. Prices and payment

The prices referred to in this Order are fixed prices exclusive of VAT in the currency mentioned in the Order, unless agreed otherwise beforehand. Payment shall be made sixty (60) days after the date of the applicable and correct invoice, but in any case no sooner than the receipt of the Product by EPCOR. Supplier shall send a digital copy of each and every invoice to the e-mail address: ap@epcor.nl with reference to the applicable Order number.

The invoice shall fully comply as to form and contents with the specifications mentioned in EPCOR's instruction for packing, marking and transport documentation. In case of late payment by EPCOR, the Supplier is entitled to charge an amount of EUR 40,- for extrajudicial recovery costs. Supplier is not entitled to a higher amount, regardless of the actual costs made by Supplier.

14. Title and risk of the goods supplied

All goods which EPCOR makes available to the Supplier for repair, processing or conversion or for other purposes (including special tools and equipment as well as specifications, drawings and models) shall be given to the Supplier on loan, remain the property of EPCOR, may be used only for the implementation of Orders placed by EPCOR and shall be returned to EPCOR at EPCOR's first request, without the Supplier being able to exercise any right of lien in respect of the goods supplied. Use for purposes other than EPCOR Orders, particularly on behalf of third parties, is permitted only if and to the extent it has been agreed prior in writing by EPCOR. The risk of loss or damage to such goods is borne by EPCOR, except where such loss or damage is due to the fault of the Supplier, its subordinates or subcontractors. The risk of loss or damage to other goods shall continue to be borne by the Supplier, until ownership thereof has been transferred to EPCOR. The Supplier shall ensure that the goods of which EPCOR is the owner are identified as such.

15. Intellectual Property

All data and all intellectual property rights related thereto, provided by EPCOR to Supplier for the performance of the Order, shall remain with EPCOR and shall not be used, copied or assigned to third parties and shall be returned to EPCOR upon first request.

EPCOR shall own all rights, title and interest in all studies and, as the case may be, any other services provided by Supplier as a result of the Order ("Works"). Consequently, Supplier exclusively assigns to EPCOR all rights, title and interest in and to the Works, worldwide, for the entire period of protection and for no other compensation than

the price set forth in the Order. EPCOR shall be free to complete or modify the Works and shall own all right, title and interest in these modifications. Supplier agrees to not to claim any right on the Works and on the modifications performed by EPCOR on the Works and waives any right to benefit from the commercial use by EPCOR of the Works and of any of such modifications.

16. Termination

Without prejudice to any rights of Buyer hereunder or under applicable law, EPCOR may terminate the agreement under an Order by written notice if (i) a petition for Supplier's bankruptcy is filed, (ii) Supplier applies for or suspension of payment, (iii) circumstances arise in relation to Supplier under which bankruptcy or suspension of payment could arise, or if (iv) Supplier fails to comply with the provisions of Article 18, without any liability of EPCOR towards Supplier for costs or damages resulting there from.

17. Alterations

Alterations to the Order shall be valid only in so far as they have been explicitly agreed prior in writing.

18. Compliance with laws and regulations

Supplier shall comply with all laws and regulations, including export control laws and regulations which may govern the Product such as, but not limited to EU export regulations, U.S. Export Administration Regulations (EAR) and U.S. International Traffic in Arms Regulations (ITAR) and/or sanctions such as but not limited to UN and/or OFAC sanctions and of other foreign jurisdictions to the extent applicable to Supplier's performance under these terms and conditions and/or a specific Order. Furthermore, Supplier shall comply with the principles of the UN Global Compact, dated June 24, 2004, or its latest version and all applicable Anti Bribery laws and regulations.

19. Governing Law and Disputes

Any Order and the contractual relationship resulting there from between EPCOR and Supplier shall be governed by the laws of The Netherlands with the exclusion of the provisions of the United Nations Convention on Contracts for International Sale of Goods of 1980 as amended from time to time.

Any dispute between EPCOR and Supplier regarding an Order or the contractual relationship resulting there from between EPCOR and Supplier shall be finally settled by the court of competent jurisdiction in Amsterdam, The Netherlands.

Version dated June 1st, 2018