



GENERAL CONDITIONS OF PURCHASE OF THALES NEDERLAND B.V.

Article 1 Definitions

In these conditions the following definitions are used:

Thales Nederland:	Thales Nederland B.V.;
Supplier:	Producer and/or seller of Goods;
Parties:	Thales Nederland and the Supplier;
Purchase Order:	Ordering document duly signed by authorized personnel of the purchasing department of Thales Nederland.
Goods:	Products and services that the Supplier delivers to Thales Nederland.

Article 2 Applicability

Unless otherwise explicitly agreed in writing, these conditions apply to all requests for proposal and orders for delivery of Goods by Thales Nederland.

The general conditions of the Supplier are not applicable and are hereby explicitly rejected by Thales Nederland.

Article 3 Offers

All offers are deemed to be binding unless the Supplier explicitly notifies in writing that an offer is non-binding.

Orders based upon a non-binding offer are binding, unless the Supplier immediately after the grant in writing of the order, declines in writing the order.

Article 4 Purchase Order

A Purchase Order shall only be binding on Thales Nederland if the Purchase Order is duly signed by authorized personnel of the purchasing department of Thales Nederland.

Oral promises by and arrangements with employees of Thales Nederland shall not bind Thales Nederland unless these have been confirmed in writing by authorized personnel of the purchasing department of Thales Nederland.

Article 5 Prices

The price as mentioned in the Purchase Order shall be firm fixed and inclusive of all costs and charges which are necessary in order to perform the Purchase Order.

Article 6 Packaging

The Supplier is obliged to pack the Goods to be delivered at his own risk and account. The Supplier shall be liable for all damages resulting from insufficient or unsuitable packaging.

The material of the packages shall not be detrimental to the environment, judged on the basis of the state of the art at the time of delivery, or might constitute in any other way a threat to safety, well being or health.

Article 7 Time of delivery

Delivery shall take place at the place and at the time mentioned in the Purchase Order. The time mentioned in the Purchase Order is of the essence without Thales Nederland being required to serve notice of default.

Delivery shall take place according to the trade term mentioned in the Purchase Order in accordance with Incoterms 2000.

The ownership shall transfer at delivery according to the applicable Incoterm.

Delivery shall take place by using the carrier specified by Thales Nederland. In case an other carrier has been used the additional costs shall be charged to the Supplier, except if the costs of the carrier are for the account of the Supplier according to the specific Incoterm.

The Supplier shall be obliged to notify Thales Nederland in writing of a(n) (imminent) delay in delivery.

This notification does not affect the consequences of the delay in accordance with these general conditions of purchase and it does not affect any other legal rights of Thales Nederland.

Without prejudice to the entitlement of compensation and without prejudice to any other right of Thales Nederland, the Supplier is obliged to pay a penalty that shall be immediately due and payable of 5% of the total amount Thales Nederland has to pay under the Purchase Order per calendar week as from the day the Supplier is in delay, with a maximum of 25% of the total amount Thales Nederland has to pay under the Purchase Order.

Article 8 Testing and rejection

Thales Nederland shall accept the delivered Goods through a specific test procedure within a reasonable time after the delivery date.

In the event that the Goods are being rejected Thales Nederland shall notify the Supplier.

Article 9 Quality

The Supplier shall maintain a quality system which is certified according to the quality standards of ISO 9001.

Waivers to the ISO 9001 quality standards are not valid unless approved in writing by Thales Nederland.

Quality assurance representatives of Thales Nederland and/or customers of Thales Nederland shall have the right to audit the application of the quality system by the Supplier at the Supplier's premises. The Supplier shall provide without any charge said representatives with the required support for the proper accomplishment of the audits and the Supplier shall give access to any area of the Supplier's premises where work under or in connection with an Purchase Order is being performed.

In the event that said representatives will find any material, construction or workmanship not to be in accordance with the quality requirements the Supplier will be informed.

The Supplier shall there upon remedy such non-conformities free of charge and without any consequence to the date of delivery specified in the Purchase Order.

Article 10 Payment

Unless otherwise specified in the Purchase Order payment of the invoice shall be effected within 60 days after receipt of the invoice and acceptance of the Goods by Thales Nederland.

Thales Nederland reserves explicitly the right to offset all that it owes to the Supplier against all that the Supplier owes Thales Nederland, for whatever reason.

In the event that the Supplier fails to fully fulfill any of its obligations, Thales Nederland shall be entitled to defer payment to the Supplier.

The price shall be paid in the currency mentioned in the Purchase Order.

Payment of the invoice by Thales Nederland does not imply waiver of any rights.

Article 11 Alterations

The Supplier is obliged to inform Thales Nederland in advance in writing of any change or alteration in the composition or characteristics of the Goods to be supplied by the Supplier compared to the stipulations in the Purchase Order.

In the event that the Supplier fails to fulfil its obligation to provide information pursuant to the above or if the change or alteration specified in the preceding paragraph is not acceptable to Thales Nederland, then Article 13 shall apply and the Supplier shall be in default.

Thales Nederland shall (in consultation with the Supplier) at all times be entitled to alter the volume, constitution or characteristics of the Goods to be delivered. Such alterations do not have any consequences for the price and term of delivery, unless this cannot reasonably be required of the Supplier.

Any change in a Purchase Order shall be only valid if issued, agreed to and confirmed in writing of the purchasing department of Thales Nederland.

Article 12 Transfer of rights and obligations/ subcontracting

The Supplier shall not be permitted to transfer rights and obligations resulting from the Purchase Order to third parties without the prior written consent of Thales Nederland.

Thales Nederland may attach conditions to the permission.

The written consent of Thales Nederland shall be required for subcontracting substantial parts of the obligations arising from the Purchase Order to third parties.

The Supplier shall nevertheless remain entirely responsible and liable for the proper fulfilment of Purchase Order towards Thales Nederland.

Article 13 Default

The Supplier shall be in default without any requirement of serving notice of default in the following cases:

- in the event that the Supplier does not, not timely or not properly meet one or more of its obligations;
- in the case of bankruptcy or suspension of payment of the Supplier;
- if, considering the circumstances, Thales Nederland has to conclude that the Supplier will not, not timely, or not properly meet its obligations and the Supplier does not provide assurance within a period of time to be stipulated in writing by Thales Nederland that these obligations will still be timely and properly fulfilled;
- in the event the Supplier has or has tried to provide Thales Nederland personnel with any personal benefit.

In the cases specified above Thales Nederland is entitled to compensation for damages and/or fulfillment of the obligations of the Supplier.

Fulfillment of the obligations by the Supplier cannot be required if this fulfillment would be unacceptable in accordance with the criteria of

reasonableness and fairness.

These rights do not prejudice of the purchasing department of Thales Nederland's other rights in relation to the default, including the right to unilaterally terminate the Purchase Order, wholly or partially, through a registered letter without further requirement to serve notice of default and without judicial intervention and without being obliged to pay any compensation.

Any claims which Thales Nederland shall have or require with regard to the Supplier in the above mentioned cases shall be forthwith due and payable in full and may be set off against the Suppliers claims with respect to Thales Nederland.

Article 14 Termination for convenience

Thales Nederland is entitled to suspend the performance of a Purchase Order in whole or in part or annul the Purchase Order in whole or in part for any reason other than those referred to in Clause 13. In such cases Thales Nederland shall have no other obligation than to compensate the Supplier for incurred expenses. The amount for this compensation shall not exceed the total amount of the respective Purchase Order. If Thales Nederland and the Supplier can not agree on the amount to be paid for the incurred expenses, an independent auditor shall determine the amount.

Article 15 Guarantee

The Supplier guarantees that the Goods comply with all requirements. In case a defect arises within 18 months after acceptance by Thales Nederland the Supplier is obliged to, irrespective of the cause of the defect, replace or to repair the relevant Goods within a reasonable time determined by Thales Nederland or, unless this would be unreasonable, to take back the Goods and immediately pay to Thales Nederland the amount paid for those Goods. All costs incurred in connection with this article are at the expense of the Supplier as well as any damages arising there from. The Supplier is released from the above-mentioned obligations if the Supplier can prove that the defect is caused by wilful misconduct or gross negligence of Thales Nederland.

Article 16 End of lifetime buy

In case the Supplier has the intention to discontinue production of the Goods, the Supplier shall give a six months notice to Thales Nederland. Such six months notification period shall be defined as the end of lifetime notification period. The Supplier shall accept Purchase Orders for such Goods during this period.

The Supplier shall support the Goods delivered to or ordered by Thales Nederland prior to the notification during 24 months after the date of delivery to Thales Nederland of the last Goods ordered after the notification.

Article 17 Intellectual property

Thales Nederland shall be granted a royalty free license under any intellectual property right existing for the Goods and/or auxiliaries to use and to have used such rights for the purposes for which the Goods and/or auxiliaries have been acquired

The Supplier shall indemnify Thales Nederland against claims of third parties due to real or alleged breaching of intellectual property rights vested in the delivered Goods and/or auxiliaries.

In the event that Goods and/or auxiliaries have been developed exclusively for Thales Nederland, the Supplier shall transfer all intellectual property rights existing on these exclusively developed Goods and/or auxiliaries to Thales Nederland.

Article 18 Liability

The Supplier shall be liable for any damage suffered by Thales Nederland and/or its personnel and/or any third parties directly or indirectly arising out or in connection with the fulfillment of the performance of the Purchase Order by the Supplier. The Supplier shall indemnify and hold Thales Nederland harmless against any such claims.

Article 19 Insurance

The Supplier shall have insurance for its statutory and contractual liabilities. Upon first demand of Thales Nederland the Supplier shall provide evidence of the existence of the insurance as well as evidence that the insurance premium has been paid timely.

Article 20 Export Licenses

The Supplier is obliged to inform Thales Nederland in time regarding the export classification of the Goods to be delivered and any modifications of same.

The Supplier is responsible for obtaining in time all the required export licenses as specified by the country of origin and/or other relevant countries.

Thales Nederland shall provide the Supplier with all information as reasonably required in connection with obtaining these export licenses.

Article 21 Provision of Information in respect of Hazardous Materials

If the Goods to be delivered contain substances as mentioned in Article 4, para 1 of the Directive 2002/95/EG (RoHS Directive), the Supplier shall provide information to Thales Nederland regarding the substances involved, the location of these substances in the Goods and the quantity of these substances present in the Goods.

At the request of Thales Nederland, the Supplier shall provide information concerning other hazardous substances, preparations and materials present in the Goods to be delivered. In the request, Thales Nederland shall state about which hazardous substances, preparations and materials it requires information.

Article 22 Compensation

At the request of Thales Nederland, the Seller shall provide the necessary assistance in order:

- to certify to the benefit of the Thales organization by the competent authority in the country of the Supplier, the eligibility and the valuing of the Purchase Order as a compensation credit.
- and for this valuing to be considered validated from the date on which the Purchase Order is signed by authorized personnel of the purchasing department of Thales Nederland.

Article 23 Retention of title

All models, dies, moulds, jigs, gauges, drawings and other auxiliaries either made available by Thales Nederland or procured or specifically made for the performance of a Purchase Order at the costs of Thales Nederland shall remain or become the property of Thales Nederland at the time of procurement or manufacturing.

The Supplier shall mark these auxiliaries clearly as property of Thales Nederland and the Supplier shall keep the auxiliaries insured.

Article 24 Secrecy

The Supplier is obliged to maintain the confidentiality in respect of any information or data of Thales Nederland coming to the Supplier's knowledge, such as but not limited to data on standards, models, drawings, diagrams and constructions. All this information and/or data, including copies thereof, remain the property of Thales Nederland and shall be returned to Thales Nederland upon first request.

Article 25 Applicable law and settlement of disputes

All requests for proposal and Purchase Orders for delivery of Goods by Thales Nederland shall be governed by Dutch law. The applicability of the 'United Nations Convention on Contracts for the International Sale of Goods' (the Viennese Sales Treaty) is excluded.

Any disputes between Thales Nederland and the Supplier arising from these Conditions of Purchase or from agreements to which these Conditions of Purchase apply wholly or partially and all obligations ensuing therefrom shall be settled by the competent court of Almelo, the Netherlands. This does not alter the competence of Thales Nederland to opt for settlement of a dispute before the competent court in accordance with the law or the competence of parties to submit a dispute to arbitration by mutual agreement.

Article 26 Final stipulation

Should any provision of these Conditions of Purchase be void or nullified by virtue of applicable law, the Supplier and Thales Nederland shall consult each other and agree on a provision that actually is allowed, which will as much as possible approximate the purpose of the original provision.

Other provisions of these Conditions of Purchase shall continue to apply in full.

The text of these General Conditions of Purchase is available in both the Dutch and English language. About the interpretation of these General Conditions of Purchase the text in the Dutch language will always prevail.

These General Conditions of Purchase have been filed with the Dutch Chamber of Commerce and Industry in Enschede under no. 06061578.

THALES

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