

GENERAL TERMS AND CONDITIONS OF PURCHASE OF THALES NEDERLAND B.V.

DEFINITIONS

Conditions	these General Terms and Conditions of Purchase of Thales Nederland B.V.
Products	products and services that will be supplied by Supplier.
Party or Parties	Thales and Supplier individually or collectively.
Purchase Order, PO	a written purchase order from Thales for Products, specifying the (number of) Products, delivery instructions, the price and other requirements, as the case may be.
Supplier, you, your	the party that Thales is dealing with for the purchase of Products.
Thales, we, our	Thales Nederland B.V.

1. APPLICABILITY

These Conditions apply to all our requests for information, requests for proposal, request for quotation, PO's and other dealings between you and us for the supply of Products. We explicitly reject the applicability of any general terms and conditions of sale of Supplier.

2. OFFER AND PURCHASE ORDER

2.1. Offer

Supplier's offer for Products shall be deemed binding.

2.2. PO

Thales will issue a PO to you in respect of the Products in your offer. You shall confirm your acceptance of the PO in writing. The PO shall be deemed accepted by you within the period permitted for acceptance as specified in the PO, and failing such specification within ten working days after issuance of the PO.

2.3. Agreement

The accepted PO will constitute the agreement between you and us for the purchase and sale of the Products (**Agreement**).

2.4. Changes

Thales will at all times be entitled to alter the volume of the Products to be delivered. Such alterations will have no consequences for the price and Delivery Date.

3. PACKAGING, STORAGE AND TRANSPORTATION

3.1. General obligation

You shall package and store the Products as safely and carefully as possible and in such a manner that the Products can be properly and adequately handled during transportation and delivery.

3.2. Packaging and storage

All packaging, packaging materials, storage and warehousing shall be in conformity with the requirements of the Agreement, any applicable requirements of the carrier, and the applicable laws and regulations of the countries of despatch, transit and destination. Without limiting the generality of the previous sentence, Supplier shall (a) properly pack and secure all Products so as to reach their destination undamaged, (b) decontaminate all Products despatched from outside the EU, which contain wooden packaging materials (e.g. pallets) in accordance with mandatory EU regulation, (c) procure that (i) all Products containing any hazardous substances at all times during transportation comply with all applicable legislation concerning carriage of dangerous goods by road, sea, inland waterways and rail and IATA regulations for airfreight, and (ii) the carrier possesses all required hazard documents, (d) despatch or ship all Products with all documentation and certificates required by applicable laws and regulations. This provision applies mutatis mutandis to any storage and warehousing.

3.3. Package marking and labelling

Supplier shall (a) mark the packages of Product in conformity with the Agreement and any applicable requirements of the carrier, (b) mark the packages of Product with all required or appropriate warning and storage-handling labels, (c) mark or label each shipment with the PO number, PO line number, Supplier's name, Product reference, delivered quantity and number of packages, as well as with the correct details of the delivery address (and office or plant building), (d) prominently display on the outside of the container or package a packing list with the contents of the shipment, (e) prominently display the information required by export and import regulations on all delivery documentation, and (f) mark all containers, packing and wrappings that are expected to be returned as such.

3.4. Transport documentation

Supplier shall provide us separately with complete and adequate documentation about the Products, including handling and storage instructions, forwarding documents, all written data relating to relevant governmental regulations, such as data regarding the safe handling, storage, usage and disposal of the Products in the country specified by us, and, at our request a statement that the Products conform with the requirements of the Agreement (a certificate of conformity).

4. DELIVERY, RISK, OWNERSHIP AND ACCEPTANCE

4.1. Delivery date

Supplier shall deliver the Products on the delivery date specified in the Agreement (**Delivery Date**). The Delivery Date is of the essence. Supplier shall inform Thales in writing of any imminent delay.

4.2. Incoterm

Supplier shall deliver the Products FCA at the named place of delivery indicated in the Agreement, in accordance with the Incoterms in force on the date of the PO.

4.3. Ownership and risk

Ownership of the Products shall pass to Thales at the same time the risk transfers to Thales. Risk of loss of Products shall pass to Thales in accordance with the applicable Incoterm.

4.4. Carrier

For the delivery of the products you shall use the carrier specified by Thales. In case you do not use the specified carrier, any additional cost will be for your account.

4.5. Models etc.

Models, drawings, jigs and other items that are made available by Thales to you, or that are specifically procured for the performance of the Agreement at our cost, shall remain or become our property. You shall clearly mark these items as Thales' property. Supplier shall maintain and insure these items. You are not permitted to transfer these items without our prior written consent.

4.6. Acceptance

The Products shall be subject to testing by Thales at our premises, in order to verify their conformity with the Agreement. We shall notify you of our acceptance or rejection of the Products in writing within a reasonable time after delivery of the Products.

5. PRICING

5.1. Prices

The prices in the Agreement are firm and fixed. Supplier shall supply Products to Thales at the prices agreed upon in the Agreement.

5.2. Taxes

All prices are inclusive of all taxes, customs, duties, fees, stamps or levies, and all such taxes and duties shall be borne and paid by Supplier. In the event that any taxes or duties are to be paid by Thales, Supplier shall reimburse Thales for such taxes and duties.

6. PAYMENT

6.1. Currency

Payment shall be made in euro.

6.2. Invoices

Supplier shall invoice Thales upon delivery and acceptance of the Products. Each invoice shall state (a) the (full) name of Thales and its full address, as well as the delivery address, (b) the PO number, and the PO line number, (c) in case of products delivered, the products to which it relates and their quantity, (d) in case of services provided, the services to which it relates and, in case of time related billing or payments in milestones or instalments, in a separate time billing report, a specification of all the work performed for Thales, (e) the price and the total amount

due, (f) Supplier's VAT number, (g) Supplier's bank account number, BIC and IBAN code and invoice address, and (h) an invoice number and a date (of the invoice).

In case the invoice is not in conformity with this provision or deviating from the Agreement, such invoice shall be invalid, be rejected and returned to Supplier for correction. The payment term applies to valid invoices only.

6.3. Payment term

Payment shall be made within 60 days after which an invoice is received by Thales. In case of your default, we are entitled to postpone payment.

6.4. Set-off

Thales is entitled to offset against amounts payable under your invoice for Products any sums that are due or payable by you to us.

7. QUALITY AND CORPORATE SOCIAL RESPONSIBILITY

7.1. Compliance with laws and regulations

You undertake to comply with all laws and regulations related to (the performance of) your obligations under the Agreement, including applicable laws and regulations relating to cyber security, employment and human rights, the environment, transport, storage and usage of hazardous materials, including REACH, RoHS and CE marking and quality, health, safety and environment of the country where any Products may be delivered, and applicable export and import control regulations.

7.2. Data protection

You shall comply with any data protection regulation that applies to the performance of the Agreement and in particular with (a) EU Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data and (b) EU Regulation 2016/679 relating to the processing of personal data.

7.3. RoHS

If the Products contain substances as mentioned in article 4, paragraph 1 of Directive 2011/65/EU in conjunction with Annex II thereof, you shall provide information to us regarding the substances involved, the location of these substances in the Products and the quantity of these substances present in the Products prior to the execution of the Agreement. Furthermore, you will provide information concerning other hazardous substances present in the Products to us at our request.

7.4. ISO 9001 and ISO 14001

You shall maintain a certified ISO 9001 quality management system and an environmental management system which meets the requirements of the ISO 14001 or equivalent standard.

7.5. OHSAS 18001

You shall maintain an occupational health and safety management system which meets the requirements of the

OHSAS 18001 standard and, as the ISO 45001 standard upon its entering into force.

7.6. Residual risk and safeguards

You shall notify us of all residual risks identified in the risk assessment of the Product, to be performed in accordance with MIL-STD-882, ISO 12100, IEC 61508, or any other comparable standard. You shall notify us of, and agree with us on, all safeguards and mitigation measures to be adopted by us to allow safe use of the Product.

7.7. Corporate social responsibility

We place ethics and corporate responsibility at the heart of our operations. Supplier shall support our corporate social responsibility policies and uphold the principles in the Thales Code of Ethics, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. Thales Purchasing and Corporate Responsibility Charter and Thales Purchasing and Corporate Responsibility Charter Assessment Questionnaire shall be part of the Agreement.

7.8. Audit

Thales is entitled to perform, or have performed, an audit of (a) Supplier's facilities and premises where work in connection with the Agreement is performed, (b) whether the Products are capable of meeting the Agreement, (c) documentation relating to a Product's conformity, (d) the production and production-related processes in Supplier's supply chain, to the extent they are related to Products, (e) Supplier's environmental processes and (f) the processing of Thales' personal data as a result of the Agreement, (f) cyber security. Supplier shall make best efforts to make the audit effective and shall remedy any irregularities and non-compliances that the audit revealed without delay, free of charge and without any consequence to any pending Delivery Date. Thales' right to audit Supplier applies mutatis mutandis to Supplier's sub-tiers.

8. WARRANTIES AND REMEDY

8.1. Warranty on Product

Supplier warrants that, on the date of acceptance of a Product and for a period of 36 months after each such acceptance, the Product shall (a) be new and unused and strictly conform to the Agreement, (b) be free of defects in materials and workmanship, (c) in all respects comply with all applicable laws and regulations and be fit for the purpose for which Thales intends to use the Product, (d) be of good quality and at least satisfy the customary standards with respect to soundness, safety, suitability and workmanship, (e) not infringe any intellectual property right of any third party, and (f) be free from liens, encumbrances and other claims of third parties.

8.2. Warranty on software

Supplier warrants that in conjunction with the Product (a) the software will be state-of-the-art including cyber secure, (b) no Free Open Source Software (FOSS) license terms are applicable that will contaminate any portion of Thales' software, causing Thales' software to be licensed to the recipients of such Thales' software under a FOSS license

and (c) the software will be free of contamination with e.g. malware or viruses.

8.3. Warranty on export classification

Supplier warrants that all export classification information provided by Supplier to Thales in respect of the Products is true, accurate and complete, and that performance of Supplier's obligations will not contravene any applicable import or export control regulations. Supplier shall provide a duly completed and signed Commodity Export Classification Certificate per Product. If the delivery of a Product or any subsequent re-transfer of a Product by Thales (as notified to Supplier) requires the granting of a licence or other authorisation by a regulatory authority, Supplier shall obtain such licence or authorisation prior to delivery of the Product.

8.4. Warranty on absence of counterfeit

Supplier warrants that all Products it delivers shall be free from counterfeit. You shall only purchase components and spare parts directly from an Original Equipment Manufacturer, from authorised (i.e. franchised) distributors or from authorised (i.e. franchised) aftermarket manufacturers.

8.5. Warranty on absence of conflict minerals

Supplier warrants that all Products it delivers shall be free from conflict minerals such as gold, tantalum, tungsten and tin extracted in a conflict zone.

8.6. Exclusion from warranty

A warranty does not apply to the extent Supplier proves that the defect was caused by (a) handling or storage by Thales other than in accordance with the applicable requirements, or (b) accident, alteration, abuse or misuse by Thales.

8.7. Warranty extension

The warranty period shall be extended by (a) such period as Thales may keep a Product on stock, (b) the time period during which a failed design has not been redesigned, and (c) the period during which any delivered Products cannot be used as a result of a failure to comply with the warranties.

8.8. Remedy

In case of a warranty breach, Thales shall notify Supplier in writing. Within 48 hours after such notice, Supplier shall inform us in writing whether the warranty breach is capable of remedy and within which period. Thales shall permit Supplier to promptly remedy it if the warranty breach can be remedied within a reasonably acceptable period. If the warranty breach cannot be remedied or you fail to remedy the warranty breach within such period, we shall be entitled, at our discretion and at your expense, to (a) return the related Products, (b) obtain repair or replacement of the related Products, (c) if we have reason to believe that you are unable to repair or replace the Products promptly, carry out (or have carried out) any work necessary to make the Product comply, (d) require updating of the relevant parts of any documentation related to products in which the Products are used, and the replacement of any stock of Products, components, special equipment in our

possession, (e) refuse to accept any further Products, and (f) compensation of all damages and losses caused by the related Products.

9. INTELLECTUAL PROPERTY

9.1. IP ownership and licences

The intellectual property (IP) rights related to any part of the Product or the results of any development, including any background IP, foreground IP and entitlement to all development data, reports and other technical information, shall be owned and licensed as follows:

- (a) Each Party shall retain the ownership of its background IP.
- (b) All foreground IP shall be owned exclusively by us.
- (c) You (i) shall deliver all know-how related to the Product associated with foreground IP to Thales, (ii) hereby grant to Thales a perpetual, worldwide, non-exclusive, royalty free license, with the right to sublicense, under your background IP to make, have made, use, import, analyse, test, prepare derivative works of, reproduce, have reproduced, offer to sell, sell or otherwise dispose of such background IP, to the extent you incorporate such background IP into any part of the Product, (iii) hereby irrevocably appoint Thales to act as your attorney to do all such things and execute all such documents as may be necessary for or incidental to granting us the full benefit of this provision, (iv) hereby assign (and shall cause to be assigned) all foreground IP to Thales, and (v) shall assist Thales, at our expense, in obtaining, registering, perfecting and enforcing all patents, trademarks or copyrights necessary to protect our interest in the IP established pursuant to this provision.

9.2. Background IP

Upon our first request you will return Thales' background IP to us.

10. CONFIDENTIALITY AND CLASSIFIED INFORMATION

10.1. Confidentiality

You shall not use our confidential information for purposes other than in direct relation with the dealings between you and us. You shall treat the confidential information with at least the same degree of care as you would use in respect of its own confidential information of similar importance, but in any event a reasonable level of care.

10.2. Classified information

You shall treat information marked with a government security classification strictly in accordance with all applicable (government) security regulations.

11. DEFAULT, TERMINATION AND CONSEQUENCES

11.1. Liquidated damages

In the event you fail to deliver Products on a Delivery Date, you shall forfeit without any notification being required, liquidated damages, which are immediately due and payable, in an amount equal to 5 percent of the price in the Agreement, as well as an amount equal to 0,1 percent of the Agreement for each day the delay in delivery continues. Thales' right is without prejudice to any other rights which Thales may have otherwise, including compensation for damages, other remedies, and any damages subsequently awarded shall be reduced by the amount of the liquidated damages actually paid in respect of the same failure.

11.2. Material breach

A Party may terminate the Agreement at any time for a material or persistent breach by the other Party. Where such breach is capable of being remedied, a Party may only terminate if the breaching Party has not remedied such breach within 30 days after giving a written notice of such breach.

11.3. Immediate termination

A Party may terminate an Agreement with immediate effect by written notice, if the other Party (a) shall be dissolved or liquidated, is declared bankrupt or otherwise the subject of suspension of payment or other insolvency proceedings, or if it must reasonably be expected to be unable to meet its obligations or (b) fails to comply with the laws and regulations to which it is subject, or (c) any of its employees, agents or subcontractors, gives or offers to give (directly or indirectly) to any person any bribe, gift, gratuity, commission or other thing of value, as an inducement or reward (i) for doing or forbearing to do any action in relation to the Agreement, or (ii) for showing or forbearing to show favour or disfavour to any person in relation to the Agreement, in each case except for lawful inducements and rewards to a Party's employees, (d) is subject to a change of control.

11.4. Existing obligations

Notwithstanding the expiry or termination of the Agreement, each Party shall procure the due and timely performance of all obligations assumed by it prior to such expiry or termination. Except in the event that the Agreement is terminated for breach of contract, no Party shall be required to make any payment for termination or expiration of the Agreement.

11.5. Termination for convenience

Thales is entitled to terminate an Agreement for convenience. Thales shall pay the substantiated cost that Supplier reasonably incurred prior to such termination. The compensation shall not exceed the percentage of the price corresponding to the progress of execution of the Agreement.

11.6. Continuing provisions

The provisions relating to confidentiality, warranty claims, limitation of liability, indemnities, governing law and dispute

resolution, and other provisions that expressly or by their nature are intended to continue to have effect, shall survive termination or expiration of the Agreement.

11.7. Discontinuation of manufacturing

At least one year prior to a considered discontinuation of manufacturing the Products, you shall notify us in writing. During a 12 months period after your notification, you shall accept all PO's for such Products.

12. MISCELLANEOUS

12.1. Amendments

No amendment of an Agreement shall be binding upon either Party, unless it is in writing and duly signed by both Parties.

12.2. Assignment

No Party may assign rights or obligations of an Agreement without the prior written consent of the other Party, which consent shall not unreasonably be withheld; except that we may, on written notice to you, assign any of our rights or obligations under the Agreement to affiliated companies or to a purchaser of all or substantially all of the assets in the subject field of the Agreement.

12.3. Offset

All offset or countertrade credit value resulting from an Agreement, and any sub-tier contracts, shall accrue solely to the benefit of Thales. Supplier shall cooperate with us in the fulfillment of any foreign offset or countertrade obligations.

12.4. Liability

Thales' liability arising from or in connection with the dealings between you and us is limited to direct damages resulting from Thales' gross negligence or willful misconduct.

12.5. Insurance

For the duration of the Agreement and for a period of three years thereafter, you shall maintain in effect appropriate liability insurance policies (including for product liability and recall) with an internationally reputable insurance company. Upon our request, you shall provide appropriate details of the insurance policies, as well as evidence that insurance premiums have been paid timely. You shall immediately inform us of anything that might affect the insurance cover.

12.6. Severability

If any provision in these Conditions is found to be invalid or unenforceable: (a) the validity and enforceability of the remaining provisions shall not be affected; and (b) the Parties shall substitute such provision by a valid and enforceable provision approximating the purpose of the invalid or unenforceable provision.

13. APPLICABLE LAW AND DISPUTE RESOLUTION

13.1. Applicable law

Dutch law applies to the dealings between you and us. The applicability of the United Nations Convention on Contracts for the International Sale of Goods is excluded.

13.2. Dispute Resolution

Disputes between you and us will be settled by the competent court in Overijssel, the Netherlands or, if Thales so elects, under the *Rules of Arbitration* of the *International Chamber of Commerce* by one or more arbitrators appointed in accordance with said Rules. The place of arbitration shall be Geneva, Switzerland. The arbitral procedure shall be conducted in English.