

About us

## Patria Belgium Engine Center - Terms and conditions of purchase

### 1. Definitions

1. "Acceptable method of communication" shall mean written communication either by posted letter, fax (facsimile), or E-mail (electronic mail). Though not official, a telephone call or direct personal conversation may precede an Acceptable Method of Communication. The effective date of each Acceptable Method of Communication shall be deemed to be the date upon which it is received.
2. "Affiliate" of a Person means any Person that directly or indirectly controls, or is under common control with, or is controlled by, the indicated Person. As used in this definition, "control" (including with its correlative meanings, "controlled by" and "under common control with") means possession, directly, or indirectly, of power to direct or cause the direction of management or policies, whether through ownership or voting securities, by contract or otherwise.
3. "Buyer" means PBEC that issues an Order referencing these Terms and Conditions, and any successor or assignee of Buyer.
4. "Buyer's Customer" means the ultimate owner, lessee, or operator of the Goods and includes the purchaser of an end product incorporating the Goods and/or Services provided by Supplier under the Order.
5. "Supplier" means the "Vendor" or the "Subcontractor".
6. "Buyer's Property" (for the purposes of Component and Accessory Repair Services) shall mean materials, or related items of which the Buyer has title and which the Buyer has furnished to the Subcontractor to be repaired or used in the process of repair at its overhaul and repair operations.
7. "Days" shall mean calendar days if not stated differently.
8. "Delivery" Shall mean unless otherwise agreed to in writing by both parties, Delivered At Place DAP PBEC Facility and shall be governed by Incoterms 2010 for all purchase of services, and Ex Works Supplier Facility for Goods purchases. Unless stated or agreed otherwise, assets being sent to Subcontractor for the provision of services will be Delivered At Place DAP, Subcontractor Facility. Assets being returned by Subcontractor shall be FCA Subcontractor Facility into the custody of the Buyer's Freight Forwarder.
9. "Delivery Date" means the date of delivery for Goods and Services as specified in an Order and/or by the Delivery System.
10. "Delivery System" means Buyer's computer-based, web-enabled delivery scheduling system.
11. "Excusable Delay" is defined in section 20.
12. "Goods" means Products, including goods, parts, supplies, software, technology, drawings, data, reports, manuals, other specified documentation, or items that are required to be delivered pursuant to, or in connection with, an Order, and where the context requires such Services as are necessary and incidental to the delivery of Goods under any Order. For clarity, changes to the part numbers and/or other description of the Goods as a result of a change under the Changes clause of these Terms and Conditions will continue to be Goods.
13. "Intellectual Property" means all data, information, specifications, designs, drawings, programs, derivative works, computer software including source code or object code, ideas, techniques, methods, processes, know-how, documentation and materials, inventions, discoveries enhancements, copyrights, database rights, topography rights, design rights, trademarks, trade names, utility models, patents, domain names and any other intellectual property rights of a similar nature (whether or not registered) associated with the Products, Services or Repair Services. "Background Intellectual Property" shall mean all Intellectual Property other than Foreground Intellectual Property. "Foreground Intellectual Property" shall mean all Intellectual Property and tangible work product conceived, created, acquired, or first reduced to practice in connection with the Order.

14. "ITC Laws" (International Trade Compliance Laws) mean the import, customs, export control, sanctions regulations, applicable at the time of the import, export, re-export, transfer, disclosure, or provision of Technical Data, Goods or Services including, without limitation, the (i) Belgian laws and regulations related to trade compliance (ii) Export Administration Regulations ("EAR") (iii) International Traffic in Arms Regulations (the "ITAR") (iv) Foreign Assets Control Regulations and

associated Executive Orders Customs regulations administered and (v) applicable import, customs and export laws and regulations of other countries.

15. "Lead Time" means the maximum time within which Supplier agrees to deliver Goods and/or services after receipt of a delivery requirement for such Goods and/or services. Unless otherwise mutually agreed between Buyer and Supplier, Lead Times are measured based on the date of receipt of the relevant Goods at Buyer's facility.

16. "Non-conforming goods" means a good which is not compliant to the applicable requirements.

17. "Non-Serviceable" shall mean less than operational and not acceptable for continued use under the criteria established by the applicable Technical Order.

18. "No Fault Found" means a Repair Item or Warranty Item for it was not possible to confirm the failure claimed.

19. "Order" or "Purchase Order" shall mean collectively, the binding, enforceable agreement between PBEC and Supplier individually "Party" and collectively the "Parties") for the sale and purchase of Products, Services (including Repair Services) and includes these Terms and Conditions of Purchase. The Order can have the form of a paper or electronic document, sent by Buyer to Supplier, to initiate the ordering of Products or Services, and includes change notices, supplements or commonly agreed modifications thereto.

20. "PBEC" means Patria Belgium Engine Center SRL, a company incorporated in Belgium.

21. "Product" means all components, spare parts, goods, equipment or materials of any kind supplied by one party to another, excluding items provided pursuant to completion of Repair Services or repair under warranty.

22. "Proposal" for the purposes of this Agreement, shall mean a written offer from the Seller, which may be in response to the Buyer's Request for Proposal or Request for Quotation (RFP/RFQ)

23. "Repair Item" is the commodity where the Supplier has carried out repair services.

24. "Repair Services" means repair or overhaul services paid for by the Buyer (excluding valid warranty repairs).

25. "Request for Quotation" or "RFQ" shall be a written request for prices for Component and/or Accessory Repair Services or New and/or Serviceable Material Assets

26. "Serviceable" shall mean operational and acceptable for continued use under the criteria established by the applicable Technical Orders.

27. "Services" means engineering, technical support services and maintenance services related to design, production or technical support specifically identified as a purchased item under the Order.

28. "Specifications" means all requirements with which Goods and Services and performance hereunder must comply, including, without limitation, applicable DQF.XX, or its current successor, drawings, instructions and standards, on a Buyer web site or elsewhere, as such requirements are specified and/or referenced in Orders, as such requirements are modified from time to time by Buyer.

29. "Subcontractor", see Supplier.

30. "Supplier" means the legal entity providing Goods and Services or otherwise performing work pursuant to an Order. For the purposes of these Terms and Conditions, it includes Supplier and its suppliers, subcontractors and business partners.

31. "Taxes" means all taxes, duties, fees, or other charges of any nature (including, but not limited to, ad valorem, excise, franchise, gross receipts, import, license, property, sales, stamp, turnover, use, or value added taxes and any and all items of withholding, deficiency, penalty, addition to tax, interest or assessment related thereto).

32. "Vendor", see Supplier.

33. "Warranty Item" means an item which is the subject of a warranty claim in accordance with clause 9.

## 2. Acceptance

Supplier's (i) full or partial performance under, or indication thereof, or (ii) acknowledgement of PBEC Purchase Order, is acceptance of the Order and all terms and conditions contained in the Order, including these Terms and Conditions. Any terms and conditions proposed in Supplier's acceptance or in any acknowledgment, invoice, or other form of Supplier that add to, vary from, or conflict with the terms herein are hereby rejected. If the Order is an acceptance of a prior offer by Supplier, such acceptance is limited to the express terms set forth in the Order.

### 3. Obligations of the Supplier

(A) Supplier shall provide the Product and/or services as specified in the Order.

(B) Supplier is responsible for the provision of the Goods or Services indicated in the Order in a way that fulfils the Buyer's obligations of relevant deliverables, quality and progress towards its Customer according to a Main Agreement.

(C) Supplier shall provide the appropriate warnings; submit any claims, etc. within deadlines which allow the Buyer the opportunity to forward the warnings, claims, etc. to its Customer within the deadlines to which the Buyer is committed. The Subcontractor accepts that the provision of Goods or Services object of the Order is non-exclusive, and that the Buyer may use other subcontractors, or perform the Services itself.

(D) Supplier shall have the entire risk and responsibility for the performance of the Services under the Order and shall hold the Buyer harmless for all claims, including but not limited to claims for compensation, price reduction, penalties, sanctions etc., set forth by PBEC's corresponding Customer which relate to the Supplier's performance.

### 4. Audits

(A) Buyer may, upon reasonable notification and at its own discretion, perform audits of the Supplier including reviewing the performance of the obligations and duties under these Terms and Conditions.

(B) Supplier shall maintain complete records (including, without limitation inspection records, ) for all Goods which shall be available to Buyer during performance of an Order and until the later of: (i) four (4) years after final payment, (ii) final resolution of any dispute involving the Goods delivered hereunder, (iii) the latest time required by an Order, (iv) the latest time required by applicable laws and regulations, (v) the latest time required by the applicable DQF.XX or (vi) as otherwise directed by Buyer. Supplier shall make available to Buyer copies of Supplier's books, records and documentation and provide Buyer, Buyer's Customers and/or to any competent regulatory authority, the right to access and to perform any type of inspection, test, audit or investigation at Supplier's premises, including, without limitation, manufacturing and test locations and the facilities of Supplier's suppliers, subcontractors and business partners used in connection with the Order for the purpose of enabling Buyer to verify compliance with the requirements set forth in the Order or for any other purpose indicated by Buyer's Customers and/or said authority in connection with the design, development, certification, manufacture, sale, use and/or support of the Goods. Supplier and its suppliers, subcontractors and business partners shall cooperate with Buyer and Buyer's Customers and/or any such authority to furnish all reasonable facilities for and assistance with the safe performance of inspections, tests, audits and/or investigations in connection with any Order and Goods and Services thereunder. Supplier may not claim compensation for the costs incurred by or remuneration for the time spent in connection with such audits.

(C) Any corrective action requested by Buyer, Buyer's Customers and/or any said authority following any such inspection, test, audit or investigation shall be implemented by Supplier at Supplier's cost.

(D) Should ITC laws be applicable, Supplier shall ensure that appropriate licenses and authorizations are timely obtained and timely cooperate in good faith with Buyer on related requests.

### 5. Claims from final Customer

All claims asserted by PBEC Customer which are related to the Supplier's performance of the Services, including compensation and restitution claims in connection with breach of the Supplier's obligations, may be forwarded by the Buyer to the Supplier without any reduction or limitation, and the Supplier shall be liable for such claims. If the Customer's claim is related to breach of obligations for which both Parties are responsible, the responsibility shall be allocated proportionally based on the effect the Parties delivery respectively has with regard to the claim.

### 6. Specifications

Supplier shall comply with all Specifications. Supplier shall immediately notify Buyer, in writing, of any failure of the Supplier, the Goods or the Services to comply with the Specifications.

### 7. Delivery

(A) Time is of the essence in Supplier's performance of an Order, and Supplier shall deliver Goods and perform Services by the Delivery Date indicated in the Order.

(B) Shipment shall be to the location directed by Buyer. Invoicing, delivery terms, shipping, packing reduction instructions shall be provided to Supplier through acceptable communication which may include an attachment to, or printing on the face of, the Order, or be incorporated into the Order by reference to a web site. In the absence of such instructions, the delivery terms for Goods shall be DAP Buyer's facility (Incoterms 2010). Title and risk of loss shall pass to Buyer upon receipt of Goods in accordance with the selected Incoterms.

(C) Invoices by the Supplier shall refer to PBEC Purchase Order number.

(D) Any forecasts of quantity and schedule that are set forth by the Buyer are estimates and are for planning purposes only. Without affecting any other rights of Buyer, Buyer may cancel Orders, in whole or in part at any time prior to commencement of Lead Time.

(E) Whenever instructed to do so, Supplier shall use the Delivery System and electronic data exchange billing and invoicing systems (collectively, "Buyer Systems") specified by Buyer. The delivery information in the Buyer Systems shall establish the Delivery Dates for the Goods and/or Services. Supplier shall only ship in accordance with the rules established by the Buyer Systems.

(F) If Supplier is unable to deliver Goods and/or services by the Delivery Date, Buyer may, without liability: (i) reduce or cancel its requirements for any part of the quantity of the Goods and services that cannot be delivered by the Delivery Date, (ii) reallocate to another Order, or reschedule, any portion of the Goods and services that cannot be delivered by the Delivery Date, or (iii) waive the Delivery date. In addition to any other rights and remedies that Buyer may have, in the event of Supplier's non-conformance with any of the requirements under this Section or any other delivery obligation, Supplier shall be responsible for all shipping costs and expenses incurred with respect to such non-conformance, including the costs of expediting shipment with respect to late deliveries.

(G) Supplier shall provide Buyer with necessary documentation with regards to the Delivery, hereunder but not limited to: quality, origin, documentation regarding use and maintenance, and the time of Delivery. An appropriate document for release (COC or Form 1 according to applicable DQF.XX) shall accompany all products delivered by the supplier.

## **8. Inspection, Acceptance and Rejection**

(A) Supplier shall only tender Goods to Buyer that have passed inspection in accordance with the applicable inspection system and that otherwise conform to all requirements of an Order.

(B) Buyer may provide written notice of acceptance of the Goods to Supplier. However, in the absence of Buyer's written acceptance and notwithstanding (i) prior inspection of, (ii) payment for, (iii) use of or (iv) delivery of the Goods, acceptance shall not be deemed to occur until twelve (12) months following Buyer's receipt of Goods ("Inspection Period"). Transfer of title to Buyer shall not constitute acceptance.

(C) During the Inspection Period, Buyer may, with respect to any Goods: (i) reject all or a portion of any nonconforming Goods; (ii) accept all or a portion of such nonconforming Goods with a price reduction for the cost of repair or the diminution of value; or (iii) accept any conforming Goods and reject the rest.

(D) Within thirty (30) days of Supplier's receipt of Buyer's notification of a nonconformity, Supplier shall investigate the nonconformity, deliver to Buyer a written report of its investigation and conclusions, and formulate a corrective action plan acceptable to Buyer. Once approved by Buyer, Supplier must then timely implement such corrective action plan.

(E) With respect to rejected nonconforming Goods, Buyer may at its election and at Supplier's risk and expense (i) hold nonconforming Goods for Supplier, or (ii) return nonconforming Goods to Supplier for, at Buyer's option, either (a) full credit or refund or (b) replacement Goods to be received within 24 hours of nonconformity notification. Title to such rejected Goods returned to Supplier shall transfer to Supplier upon such delivery and such Goods shall not be replaced by Supplier except upon written instructions from Buyer.

(F) Additionally, rejected nonconforming Goods shall not be tendered again to Buyer for acceptance unless permitted by Buyer and applicable law, and accompanied by a disclosure of Buyer's prior rejection(s).

(G) Notwithstanding any other provision, in addition to the foregoing, Supplier shall be liable for Buyer's actual costs, expenses and damages related to or arising from nonconforming Goods, including but not limited to labor and other costs related to transportation of Goods, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, reinspection, retrofit, and any and all other such corrective action costs incurred by Buyer.

## 9. Warranty

(A) Supplier warrants to Buyer and Buyer's successors, assigns, Buyer's Customers, and users of Goods sold by Buyer that any and all Goods provided under or in connection with an Order are (i) merchantable; (ii) fit for the purpose intended; (iii) new; (iv) free from defects in material and workmanship; (v) free from defects in design if the design is not provided by Buyer; (vi) manufactured in strict accordance and complies with the Specifications; (vii) free from liens or encumbrances on title; and (viii) to the extent the Goods are, or contain, hardware, software, and/or firmware products, be able to accurately process date/time data. Buyer may require Supplier to promptly repair or replace, at Buyer's option, any Goods which breach the Warranty. Upon completion of the Works, Buyer shall perform a reasonable inspection of the Works and notify Supplier of any defects and discrepancies noticed. Buyer may return ship the Goods on the fastest available commercial carrier at Supplier's expense and risk of loss. Goods returned to Buyer hereunder shall be shipped at Supplier's expense and risk of loss DAP PBEC Facility and shall be accompanied by notice stating whether they are new replacements or repaired originals, and shall continue to be covered under this Warranty. Supplier warrants to Buyer and Buyer's successors, assigns, Buyer's Customers, and users of Goods sold by Buyer that any and all Services provided under or in connection with an Order: (i) have been, if applicable, and will be performed in a professional and workmanlike manner and in accordance with current, sound and generally accepted industry standards and practices by appropriately licensed, trained, supervised and personnel who are experienced in the appropriate fields; and (ii) do, if applicable, and will conform to and be in compliance with all applicable Specifications, performance requirements and other requirements contained in the Order.

(B) Notwithstanding any other provision, in addition to the foregoing, Supplier shall be liable for Buyer's actual costs, expenses and damages related to or arising from the Services not conforming to this Warranty. Supplier warrants to Buyer that all documentation and certifications by Supplier or Supplier's subcontractors or business partners related to the Goods, Services and Order, as applicable, are current, complete, truthful, and accurate and have been signed or stamped, as applicable, by individuals authorized and qualified to sign or stamp such documentation and certifications.

(C) Supplier shall conduct intake, review, analysis and any other activity required to evaluate whether the returned Goods are covered by the Warranty at no expense to Buyer. Notwithstanding any other provision, in addition to the foregoing, Supplier shall be liable for Buyer's actual costs, expenses and damages related to or arising from Goods non-conforming to the Warranty, including but not limited to labor and other costs related to transportation of Goods, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, re-inspection, and any and all other such corrective action costs incurred by Buyer.

## 10. Indemnification

Supplier shall indemnify and hold harmless Buyer, Buyer's Customers, insurers, Affiliates and their employees, agents, officers and directors for and from all suits, claims, judgments, awards, losses, damages, costs or expenses (including attorneys' fees) relating to, arising out of, or caused by the performance hereunder, any act or omission of Supplier or any Goods or Services. Supplier's indemnification obligation hereunder covers, without limitation, injuries, sickness, diseases (including occupational disease whenever occurring), or death of Supplier employees.

## 11. Taxes

(A) Each Party shall be liable for their respective corporate income taxes.

(B) When invoicing, Supplier shall separately state any Taxes that Supplier is required to collect from Buyer and warrants that invoices comply with all requirements, as to content and format, of tax and civil statutes that have jurisdiction over the transaction(s) performed by Supplier.

(C) Supplier is solely responsible for the fulfillment of its obligations to collect and remit Taxes collected from Buyer under the Order to the proper tax authorities, as required by law. Any penalties, fees or interest charges, or any other levy imposed by a government authority related to Supplier's failure to collect or remit any such Taxes shall be borne by Supplier. Buyer is not responsible for any tax based on Supplier's income, payroll or gross receipts.

(D) Supplier shall, upon receipt from any tax authority of any levy, notice, assessment, or withholding of any Taxes for which Buyer may be obligated, notify Buyer in writing at its stipulated address, directed to PBEC CFO. The Parties shall cooperate in the resolution of disputes pertaining to any Taxes. If Buyer may directly contest any Taxes, then it may do so

and, to the extent permitted by law, withhold payment during contest pendency. If Buyer is not so permitted, Supplier shall contest the Taxes as requested by the Buyer.

## 12. Product Support Obligation

Supplier shall provide product support for the Goods, which shall include, without limitation, assuring that subcomponents and materials are available, maintaining tooling and other production capability and reengineering components or systems to address obsolescence until the later of twenty five (25) years after the last Order is placed by Buyer for Goods or less than five (5) end products incorporating Goods are in operation anywhere in the world.

## 13. Buyer-Furnished and Buyer-Funded Items

(A) All material, including Information, required to be furnished to Supplier under the Order ("Buyer Furnished Items") shall be delivered as specified in the Order, or, if not specified, in sufficient time to enable Supplier's timely performance. Buyer shall have no liability to Supplier for any delays or failures in the delivery of Buyer Furnished Items. If Buyer Furnished Items are not delivered to Supplier in sufficient time to enable Supplier to meet Delivery Dates, Supplier may notify Buyer of the delay and shall be entitled to an extension of such schedule equal to the period of the delay. Such adjustment shall be Supplier's sole and exclusive remedy.

(B) Buyer Furnished Items and Buyer Funded Items (collectively, "Buyer Items") shall be used only for the purposes of the Order. Supplier shall not use Buyer Items on any other order without Buyer's written permission. Supplier shall, at its own expense: (i) establish and follow a preventative maintenance calibration and repair program for, (ii) safely store (separated from other material where practicable), and (iii) maintain in good, workable condition all Buyer Items.

(C) Buyer Items, the Goods or any other items in connection with this Order subject to the ITAR, 22 C.F.R. Chapter I, Subchapter M, Parts 120 – 130 or the EAR, 15 C.F.R. Parts 300 to 799, components, and parts must be disposed of in accordance with applicable ITC laws. All Buyer Items, Goods or other items subject to the ITAR and/or EAR must be controlled and unauthorized non-U.S. Person access restricted until it is rendered useless beyond repair, rehabilitation, or restoration to remove any unique identifiers, data plates, part numbers, serial numbers, defensive or offensive capability and any recognition characteristics of the item before being considered recyclable, waste, or discarded material, all in accordance with applicable ITC Laws, as defined herein.

(D) Unless otherwise directed by the Buyer, Supplier shall account to Buyer for the proceeds from the sale of scrap or other high cost material "off fall" generated during the performance of the Order by the processing of Buyer Items unless Supplier reimburses Buyer at Buyer's current prices for any Buyer Items used by Supplier.

(E) Title to any Buyer Items shall remain with Buyer. Buyer, in order to protect its interests, may require Supplier to execute documents that are related to Buyer Items. Supplier shall plainly mark and adequately identify Buyer Items as being Buyer's property. Supplier shall not substitute any property for or modify Buyer-Furnished Items.

(F) Supplier shall, upon discovery, provide notification to Buyer if any Buyer Items are lost, damaged or destroyed. Supplier shall carry out appropriate investigations Upon completion or termination of the Order, or at any time upon Buyer's request, Supplier shall, at its own expense, dispose of Buyer Items in accordance with Buyer's instructions and with ITC laws where applicable.

## 14. Changes

(A) Buyer's authorized Purchasing representative may unilaterally make changes within the general scope of the Order, including changes in whole or part to: (i) shipping, waste reduction or packing instructions, (ii) place of delivery, (iii) any designs, Specifications and drawings, (iv) the statement of work, (v) the method or manner of performance, (vi) Buyer Items, facilities, equipment, or materials, (vii) Prime Contract flowdown requirements and/or (viii) quality requirements (collectively "Change(s)"). Supplier shall perform any Changes ordered by Buyer. Any Order terms that incorporate flexibility for variations or modifications shall not be considered Changes within the meaning of this Section.

(B) Except as set forth herein, or as otherwise agreed, if any Change under this Section causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in price or delivery schedule or both ("Adjustment Claim"), and Buyer shall modify the Order accordingly. Supplier must submit an Adjustment Claim in writing in the form of a complete change proposal, fully supported by factual information, to Buyer's procurement representative no later than fifteen (15) days after Supplier's receipt of the Change. Supplier acknowledges and agrees that the cost of such changes is included in the prices provided under the Order. Accordingly, Supplier shall not be entitled to a price adjustment hereunder for any Change to the delivery schedule when deliveries are rescheduled within twelve (12) months of the delivery schedule in existence at the time of the Change. If any Change ordered by Buyer as a result of an order by Buyer's Customer causes an increase or decrease in the cost of or the time required for performance of any Order or the Agreement, Supplier will receive an equitable adjustment in price or delivery schedule or both, but only if and to the

proportional extent Buyer receives such an adjustment from Buyer's Customer, and provided all applicable requirements are followed by Supplier as set forth in the Change and the Order. If Supplier considers that Buyer's conduct constitutes a Change, Supplier shall notify Buyer's authorized procurement representative immediately in writing as to the nature of such conduct and its effect upon Supplier's performance. Supplier shall take no action to implement any such Change without written direction from Buyer's authorized procurement representative.

## 15. Intellectual Property Rights

(A) Each Party retains its existing rights in Background Intellectual Property. Supplier hereby grants and promises grant to Buyer and Buyer's Affiliates a worldwide, non-exclusive, perpetual, fully-paid, irrevocable, transferable license to Background Intellectual Property (i) to use, sell, offer for sale, import, export, copy, adapt, embed, modify, make derivative works, make and have made Goods and Services, and (ii) to enable Buyer to practice the Foreground Intellectual Property. Supplier hereby irrevocably waives and promises to waive all moral rights to the extent permissible by law, all rights of privacy and publicity, and the like, in all Goods provided to Buyer and in all activities in connection with the Order.

(B) Supplier represents and warrants that Supplier has sufficient rights in all Goods, Services, and Intellectual Property and other items that Supplier uses or transfers to Buyer in connection with the Order to allow Supplier to lawfully comply with the Order.

(C) Except as expressly authorized herein, nothing in the Order shall be construed as Buyer granting Supplier a license in or any right to use any of Buyer's Intellectual Property other than in the performance of work under the Order.

(D) Supplier shall indemnify and hold harmless Buyer, Buyer's Customers, Affiliates, and subsidiaries, their agents, directors, officers, and employees, and each subsequent purchaser or user, from any losses, costs, damages, and liabilities, including, without limitation, any attorney's fees, court costs and fines, arising from any potential or actual claim, suit, injunction, action, proceeding, or investigation alleging infringement or violation of any Intellectual Property rights or license, related to the manufacture, use, sale, offer for sale, import, or other exploitation of any Goods or Services delivered or performed in connection with the Order ("Claim"). Supplier shall, upon written notice from Buyer of a Claim, promptly assume and diligently conduct the entire defense of a Claim at its own expense. Insofar as Buyer's interests are affected, Buyer shall have the right, at its own expense and without releasing any obligation of Supplier, to participate and intervene in a Claim. Buyer shall have the right to reasonably reject counsel selected by Supplier. Supplier shall not enter into any settlement without Buyer's prior written consent, which shall not be unreasonably withheld. In such an event, Supplier shall be released from any obligation to pay for attorneys' fees and court costs, but not settlement or damages, and any such release is expressly conditioned on Supplier's complete cooperation with Buyer in Buyer's defense of such Claim at Buyer's expense. Buyer shall not enter into any settlement without Supplier's prior written consent, which shall not be unreasonably withheld.

## 16. Security for Information Stored by Supplier

(A) Should information be shared with Supplier, Supplier guarantees effective information security to ensure the secure storage and/or processing of Information at Supplier's facility and to facilitate the exchange of information between Buyer and Supplier. As used in this provision, "Information" means (i) Proprietary or confidential Information owned by PBEC or PBEC Affiliate; (ii) information managed by PBEC; (iii) information that PBEC is obligated to manage and protect on behalf of others; and (iv) personally-identifiable information relating to an identified or identifiable employee or other personal information that is protected by applicable privacy laws (current or future) including, without limitation, nationality, country of birth, Social Security Number, address, telephone number, gender, birth date, medical records, trade union membership, driver's license number, financial account number, credit or debit card number (all subsection (iv)) defined as "PII").

(B) Supplier agrees to provide reasonable and effective information security appropriate for the information involved by installing and implementing security hardware, software, procedures and policies, as appropriate.

(C) Supplier will segregate all PBEC Information into a separate database only accessible by Buyer, its agents and those employees of Supplier necessary to maintain the equipment and the program on which it runs, unless otherwise agreed by Buyer. Logical segregation of data, if approved by Buyer, may be an acceptable alternative to this requirement. Except for Buyer and its agents, Supplier shall use reasonable efforts, as measured by the available technology at the time, to prevent anyone other than its authorized employees from accessing PBEC Information.

(D) Supplier will ensure that Information is appropriately backed up and recoverable.

(E) Supplier will cooperate with Buyer in response to any subpoena, investigation or the like seeking Information and provide assistance for Buyer to seek certification and the like relative to its information including information in the possession of Supplier. Supplier shall promptly notify Buyer should Supplier receive any request requiring that PBEC Information be supplied to a third party.

(F) Information shall not be provided to any other entity without the prior written approval of Buyer, except to the extent expressly permitted under these Terms and Conditions. A request for Buyer approval shall include agreement by Supplier and such other entity that all of the requirements of this provision are applicable to their performance and that Buyer shall have the right to perform audits to verify appropriate use of Information.

(G) Failure to meet the standards foreseen in this section for information security or to pass an audit by the Buyer on said requirements will allow Buyer to immediately terminate the Agreement and/or any Order without prejudice to any other rights or remedies and Buyer shall have no further obligation to Supplier.

(H) In addition to the provisions above, Supplier shall comply with the requirements foreseen for protection of Intellectual property in Section 15.

## 17. Applicable Law and Forum

(A) The Purchase Orders shall be interpreted in accordance with the plain English meaning of its terms and the construction thereof shall be governed by the laws in force in Belgium. Buyer may, but is not obligated to, bring any action or claim relating to or arising out of the Order in the appropriate court, in Belgium, and Supplier hereby irrevocably consents to personal jurisdiction and venue in any such court.

(B) If Buyer and Supplier mutually agree to participate in alternative dispute resolution, Supplier agrees that all alternative dispute resolution proceedings shall take place in Belgium.

## 18. Order of precedence

If there are any inconsistencies or conflicts in the provisions applicable to the Order, precedence shall be given in the following descending order: (i) the face sheets of the Order including the price, price adjustment terms, specifications, shipping, quality requirements, drawings, work statements; (ii) regarding product support obligations, the terms of any product support agreement entered into by the Parties; (iii) terms of the Agreement under which the Order is issued; and (iv) these Terms and Conditions.

## 19. Subcontracting

Any subcontracting by Supplier of all or substantially all of its responsibilities or obligations hereunder, without Buyer's prior written consent, shall be wholly void, invalid and totally ineffective for all purposes. In the case of any subcontracting or approve delegation of any of its responsibilities or obligations hereunder, Supplier shall perform all supply management activities that are necessary for the on-time delivery of Goods conforming to the requirements set forth herein. Supplier shall be solely and fully responsible for monitoring said suppliers under all provisions of the applicable subcontracts, and for ensuring that each of its suppliers complies with the requirements set forth herein. Supplier shall remain fully liable to Buyer for, and shall be Buyer's sole point of contact for, all aspects of proper performance of the Order, regardless of (i) any subcontracting, (ii) Buyer approval of the subcontractors, or (iii) Supplier's failure to ensure the relevant subcontracts contain provisions that comply in substance with the requirements set forth herein.

## 20. Excusable delays

(A) A delay or interruption in performance of the Order by either Party which is directly or indirectly attributable to events, which are beyond its reasonable control, shall be referred to as an "Excusable Delay". Examples include, but shall not be limited to, acts of God, fire, acts of terrorism, war, strikes or labour disputes, severe weather conditions, epidemics, insurrection and retraction of consent or licence of any government.

(B) Notwithstanding the occurrence of an Excusable Delay, the affected Party shall make every reasonable effort to mitigate the effects of the Excusable Delay.

(C) Failure to make payment by Buyer shall not be deemed an Excusable Delay.

(D) Either Party may, upon 15 calendar days' notice, terminate the Order in the event that an Excusable Delay: (i) lasts longer than 120 days in the aggregate; and (ii) the Parties have not agreed upon a revised basis for continuing the work.

(E) In the event of termination for Excusable Delay, as per clause 20(D), the Parties shall negotiate, in good faith, an equitable settlement of termination charges.

## 21. Compliance with Laws

(A) Supplier shall comply with all applicable national, state, provincial, and local laws, ordinances, rules, and regulations applicable to the performance of the Order, including U.S. export control regulations when applicable to the material in object.

(B) Supplier shall notify Buyer in writing as soon as possible if Supplier is subject to any criminal proceeding alleging fraud or corrupt practices, once initiated by the filing of a formal charging document in a court of law; and further notify Buyer of any subsequent felony convictions or deferred prosecution agreement(s) related to the foregoing.

(C) Supplier represents that it shall not furnish "counterfeit goods" to Buyer, defined as Goods or separately-identifiable items or components of Goods that may without limitation: (i) be an unauthorized copy or substitute of an original equipment manufacturer or original component manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but are represented as OEM authentic or as new; or (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes. Counterfeit goods shall be deemed non-conforming, and in addition to any other rights Buyer may have at law or pursuant to an Order, the Agreement or these Terms and Conditions, Supplier shall disclose the source of the counterfeit good to Buyer and cooperate with Buyer with respect to any investigations or remedial actions undertaken by Buyer.

(D) Supplier shall comply with Patria's Supplier Code of Conduct, available at the following address:

<https://www.patriagroup.com/about-us/supplier-chain-management/supplier...>

(E) Supplier shall not engage in trafficking in persons as defined under 48 CFR § 52.222-50, US Federal Acquisition Regulations.

## 22. ITC laws and regulations

(A) Both Parties acknowledge and agree to comply with the applicable ITC laws and regulations of: (i) the Seller's country; (ii) Belgium; and (iii) the United States, including the Arms Export Control Act, the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR) where applicable.

(B) Buyer and Supplier shall assist each other in every manner reasonably possible in securing and complying with such authorisations as may be required. Parties shall exchange copies of all government export authorizations related to the Technical Data, Goods or Services, and all provisions or conditions or information relating to the authorization, including but not limited to, any restriction on sublicensing, retransfer, resale or re-export, any requirement for non-disclosure agreements, and any limitation on individuals having access to Technical Data, Goods or Services.

(C) It shall be a condition precedent to Seller's obligation to perform under these Terms and Conditions that a valid, applicable export license is issued and given effect by the U.S. Government, when required. The Seller shall use commercially reasonable efforts to obtain an export license or similar authorization required by the U.S. Government and/or by the national competent authority for the export of the Repaired Item(s) and/or Repair components sold under this Agreement.

(D) Buyer shall be responsible for any import documentation and/or customs duties required for importation into the destination country and shall be responsible for compliance with its national laws.

(E) Supplier agrees to notify Buyer immediately if Buyer is listed in any Denied Persons List, Entity List, or Specially Designated Nationals List, or if Buyer's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. or Belgium Government entity or agency.

(F) Supplier shall provide to Buyer, upon Buyer's reasonable request, the identity of its suppliers and/or the location of manufacture of the Goods or any subcomponents of the Goods, as applicable, to confirm compliance with legal and regulatory requirements, the Agreement, the Order and/or these Terms and Conditions.

(G) Supplier shall perform denied party screening to ensure that Supplier identifies any person or entity, whom Supplier engages or solicits to perform production activities or Services under this Agreement, that is ineligible to perform such activities or Services because of any embargo, sanction, debarment or denied party designation.

(H) Supplier shall notify Buyer immediately, in writing, if any of Supplier's employees or sub-tier suppliers who have been sanctioned or designated as a denied party and have performed production activities or Services under this Agreement.

(I) Where known, or where Supplier is the design authority for the Technical Data, Goods or Services that are subject to this Agreement, Supplier shall provide Buyer with (i) the United States Munitions List ("USML") category of such Technical Data, Goods, or Services that are controlled by the ITAR, or the Export Control Classification Number ("ECCN") of such Technical Data, Goods or Services that are controlled by the EAR, including the ECCN of components comprising the Technical Data and/or Goods if such classification differs from the ECCN of the Technical Data and/or Goods, and any analogous classification under any other applicable law.

(L) Supplier shall provide appropriate and accurate Customs documentation, including Country of Origin information and indicate Country of Origin information in the documentation accompanying the shipment.

### 23. Termination

(A) Either Party may terminate the Order immediately upon written notice in the event that the other Party: (i) makes or offers to make an arrangement or composition with or for the benefit of its creditors; (ii) ceases or threatens to cease to carry on business; (iii) suspends or threatens to suspend all or substantially all of its operations (other than temporarily by reason of a strike); (iv) is presented with or passed a petition or resolution for the making of an administration order, the winding-up, or the dissolution (other than for the purposes of reconstruction or amalgamation of a solvent Party) which is not set aside within 14 calendar days; (v) is appointed a liquidator receiver, administrator, administrative receiver or encumbrancer to take possession of the whole or any part of its assets; (vi) is subject to any action or procedure in any jurisdiction which is similar to or analogous to any action or procedure contained within this clause 23; (vii) commits a material breach of the Order which is: (a) incapable of remedy; or (b) if capable of remedy, has not been remedied within 30 calendar days of receipt of a written notice from the other Party specifying the breach and requiring the same to be remedied.

(B) Buyer may, by written notice, terminate the Order or any portion thereof, for default without any liability or obligation whatsoever to Supplier for the portion terminated, in the following circumstances: (i) Supplier fails to perform any obligation hereunder, including a delivery obligation; (ii) when Buyer has reasonable grounds for insecurity, and Supplier fails to provide adequate assurances of performance within ten (10) days following Buyer's demand or, (iii) should Supplier (a) become insolvent, (b) become unable to pay its debts as they mature, (c) make a general assignment for the benefit of creditors, (d) have a receiver appointed for the whole or any substantial part of its assets, or (e) become in any way the subject of a bankruptcy petition.

(C) Buyer shall have no liability in relation to those Goods terminated for Supplier's default. Supplier shall be liable to Buyer for any and all expenses, costs, and damages including increased re-procurement costs, requalification costs, and other non-recurring costs, except in the circumstance of any failure or delay constituting an "Excusable Delay".

(D) If the Order is entirely or partially terminated under this Section, Buyer, in addition to any other rights Buyer may have, may require Supplier, at no charge to Buyer, to: (i) deliver to Buyer all information, data, know-how, and other Intellectual Property, including proprietary and manufacturing information, utilized by Supplier in performing the Order; (ii) deliver the tooling and test equipment necessary to make or have made the Goods and provide technical and transition assistance; and (iii) provide to Buyer a worldwide, perpetual, non-exclusive, fully paid, irrevocable, license, with the right to grant sublicenses, to Supplier's information, data, know-how, and other Intellectual Property, including proprietary and manufacturing information, to the extent necessary, to enable Buyer to make, have made, use, sell and license the Goods.

(E) If, after notice of termination under this Section, it is determined that Supplier was not in default, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to (F). In such case, Supplier shall not be entitled to any remedy other than as provided for in (F).

(F) Buyer may, at any time, terminate all or part of the Order for its convenience upon written notice to Supplier ("Termination for Convenience"). Upon termination, in accordance with Buyer's written direction, Supplier will immediately: (i) cease work and place no further orders for materials, services, or facilities, except as necessary to complete the continued portion of the Order and, if requested by Buyer, (ii) deliver to Buyer any and all Goods completed up to the date of termination at the pre-termination Order price. In the event Buyer terminates for its convenience after performance has commenced, Buyer will not compensate Supplier for the costs incurred by Supplier, unless otherwise agreed in writing by the Buyer.

(G) Buyer shall not be liable to Supplier for costs or damages other than as described above, and in no event for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the price allocated to the portion of the Order terminated.

### 24. Dispute resolution, governing law and forum

(A) If a dispute arises with regard to all or any portion of the Order, the Parties shall: (i) escalate such dispute to senior management, with the intention of reaching resolution within 30 calendar days; (ii) if the dispute cannot be resolved within 30 calendar days then the Parties shall have the option to settle the dispute using Arbitral proceedings in accordance with the rules of the International Court of Arbitration. This arbitration shall be held in Liège C.A.E. (Centre d'Arbitrage de l'Euregio) and any proceedings shall be conducted in the English language.

(B) The rights and obligations of the Parties hereunder shall be governed in all respects by the substantive laws of Belgium.

## 25. Confidentiality

(A) All information and data, whether pre-existing or generated as a result of the Order, which may be furnished or made available to Supplier either directly or indirectly as a result of the Order, shall remain the property of Buyer and shall constitute confidential information. All such information is proprietary to Buyer and Seller shall not use nor furnish such information to any other person, firm or corporation, except as provided herein. (Such information and data includes, but is not limited to: pricing, marketing information, designs, drawings, blueprints, tracing, plans, models, layouts, specification and memoranda). Supplier shall not make or authorize any news release, advertisement, or other disclosure that relates to the Order or the relationship between Buyer and Supplier, denies or confirms the existence of the Order or makes use of Buyer's name or logo, without the prior written consent of Buyer.

(B) Nothing in the Order shall convey or licence to the Buyer the right to: (i) reproduce or cause the reproduction of any Product, information data or design ;(ii) use the other party's confidential information in order to develop any repair for Products; or (iii) any patents or rights owned or controlled by Buyer or any affiliated company.

(C) Neither Party shall at any time and for a period of 5 years after termination of the Order, delivery or completion of the service disclose to any third party any confidential information concerning the business, affairs, customers, clients or suppliers of the other Party or any member of the group of companies to which the other Party belongs.

(D) Each Party may disclose the other Party's confidential information relating to the Order only: (i) to its employees, officers, representatives or advisers who: (a) need to know such information for the purposes of carrying out the Party's obligations under the Order; and (b) who are subject to the same or similar restrictions as stated herein; or (ii) as may be required by law, court order or any governmental or regulatory authority.

(E) Neither Party shall use the other Party's confidential information for any purpose other than to perform its obligations under the Order.

## 26. No Waiver

No failure of any Party to exercise any right under, or to require compliance with, the Order, or knowledge of past performance at variance with the Order, shall constitute a waiver by such Party of its rights hereunder. No concession, latitude or waiver allowed by either Party to the other at any time shall be deemed a concession, latitude or waiver with respect to any rights unless and only to the extent expressly stated in writing, nor shall it prevent such Party from enforcing any rights in the future under similar circumstances

## 27. Headings

Any headings or paragraph titles are for the convenience of reference only and shall not define, limit or extend the scope of any provision.