

# Purchase Order terms and conditions

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## **Article 1 – Essential Conditions.**

These Purchase Order Terms and Conditions (The “PO Terms”) are incorporated into and made an essential part of every purchase order (a “PO”) issued by Airbus Americas, Inc. and its subsidiaries (together “Airbus Americas”), except to the extent that such P.O. Terms are modified by an express writing signed by Airbus Americas or are inconsistent with a specific agreement between the supplier and Airbus Americas, in which case such specific agreement will govern to the extent of such inconsistency.

**These P.O. terms will take precedence over any terms and conditions of sale that may be contained in any letter, invoice or other document issued by the supplier and will render such supplier terms and conditions void and of no effect with respect to any PO issued by Airbus Americas. Fulfillment of a PO by supplier constitutes acceptance of these PO Terms.**

## **Article 2 – Acceptance of orders.**

No PO shall be final and binding on Airbus Americas unless Airbus Americas has received written acknowledgment of receipt from the supplier, approved by the supplier and bearing the supplier’s commercial stamp. Unilateral modifications by a supplier will render the PO void.

## **Article 3 – Delivery.**

All goods and services must be delivered as specified in the PO, free of any outstanding delivery charges. All goods will be accompanied by a delivery note (a “Delivery Note”) bearing the order number, item reference numbers, a complete description and quantity of the items being delivered, together with all packing instructions.

Airbus Americas reserves the right to refuse all or any part of any delivery that exceeds the quantities specified in the PO. The return of any surplus items shall be the supplier’s risk and expense.

Supplier acknowledges that time is of the essence with respect to supplier’s obligations hereunder and the timely delivery of goods and services.

## **Article 4 – Receipt and transfer of title.**

Title to and risk of loss on all items transfers to Airbus Americas only after the correct quantity and acceptable quality of items ordered have been received by Airbus Americas or its designee at the delivery location specified in the PO.

## **Article 5 – Packing.**

Charges of packing will be paid only if provided for in the PO.

## **Article 6 – Inspection.**

The supplier’s is responsible for certifying that all items delivered conform to the P.O. and to these PO Terms. Inspections, if any, performed by regulatory authorities, or by Airbus Americas employees do not relieve the supplier of this responsibility.

**Article 7 – Delivery times.**

Delivery of the items (“Delivery”) occurs when the items arrive at the delivery location specified on the P.O. Airbus Americas reserves the right to cancel all or any part of any P.O. if the items are not delivered on the date indicated on such P.O., without prejudice to other rights or remedies available to Airbus Americas under law.

Where Delivery is expected to be late, Airbus Americas may require the supplier to use an expedited form of transportation, at no additional cost to Airbus Americas.

No Delivery before the dates specified on the P.O. is acceptable without prior written consent of Airbus America

**Article 8 – Rejection.**

All goods supplied which do not conform to the specifications of the P.O. will be rejected and returned to the supplier, at the supplier’s cost, within 14 days following notice of rejection. Airbus Americas may require the supplier to pay actual costs incurred by Airbus Americas as a result of non-conformance of the goods.

Replacement items will be subject of a new invoice issued by the supplier.

**Article 9 – Export control.**

The supplier will be responsible for compliance with all applicable export control Laws and regulations (“Export Laws”).

The supplier shall identify any item or part of an item which may be subject to Export Laws and shall provide Airbus Americas or its designee with all information concerning such applicable Export Laws, as well as with any assistance requested to assure compliance therewith.

The supplier shall obtain all relevant official approvals, licenses and authorizations required for compliance with Export Laws and shall be liable for all damages, losses and liabilities incurred by Airbus Americas or its designee as a result of the supplier’s non-compliance with its obligations under this Article.

**Article 10 – Warranty.**

The supplier warrants that the goods supplied shall be fit for all the functions and uses for which they are intended, that such goods have been manufactured according to the state of the art current at the time of Delivery, that such goods are free from defects in design, material and workmanship, and that such goods are free and clear of all liens, security interests, or other encumbrances.

The supplier warrants that it shall perform services using personnel of required skill, experience, and qualifications, and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services, and shall devote adequate resources to meet its obligations under the PO and these PO Terms.

The warranties set forth in this Article 10 are cumulative and in addition to any other warranty provided by law or equity.

**Article 11 – Items with Limited Lifetime.**

Where items are supplied that have limited lifetimes or contain parts or components with limited lifetimes, the supplier must specify:

- a) The steps to be taken to store and conserve such items;
- b) The total length of effective life before use, counted from the date of manufacture;
- c) In an easily visible and indestructible legend affixed on the item or its packaging, as appropriate, the date by which the item product is to be used

The residual life of the goods, which is to be available to the user, must be equal to at least 80% of their total effective life.

**Article 12 – Cancellation or reduction of the order.**

Airbus Americas is entitled to cancel or reduce the amount of any P.O. if:

- a) The supplier fails to comply with any material term of the P.O. or of these PO terms;
- b) A customer for whom that items in the PO are intended unilaterally terminates or reduces the amounts required by the relevant agreement or order on which the PO is based;
- c) The supplier is insolvent or files for, or is the subject of, any insolvency proceeding.

**Article 13 – Price.**

Unless otherwise stated in the PO, the prices set forth on the PO are fixed and not subject to revision without the written consent of Airbus Americas.

**Article 14 – Advances and installments.**

If Airbus Americas agrees to make any payments in advance of Delivery:

- a) Notwithstanding any provision in any agreement or the PO to the contrary, prices will be fixed and not subject to revision from the date of such advance payment;
- b) Airbus Americas will receive a security interest in the studies, supplies, equipment and parts manufactured for the purpose of fulfilling the PO in an amount equal to the amount advanced and the supplier will
  - i. Immediately identify the studies, supplies, equipment and parts subject to such security interest and
  - ii. Take all commercially reasonable measures, including the maintenance of insurance, to protect the studies, supplies, equipment and parts subject to such security interest.

**Article 15 – Invoicing.**

A separate invoice will be issued by the supplier for each Delivery under the PO. Each invoice will be issued to the specific Airbus Americas entity placing the PO and must include the number of the PO, the item reference number, a description of the goods and the date and number of the Delivery Note to which such invoice refers.

**Article 16 – Payment.**

Payment of all accurate and undisputed invoices shall be made by electronic bank transfer to the

supplier's Bank account, as notified to Airbus Americas.

Unless otherwise agreed between the parties and specified in the relevant PO, payments shall be made net sixty (60) days from the later of:

- The date of the invoice
- The date of receipt of the invoice and
- The date of the actual delivery of the items or the performance of the service/ delivery of the Service

**Article 17 – Equipment and property lent or entrusted.**

Any equipment manufactured or obtained by the supplier at the expense of Airbus Americas will be used only for the benefit of Airbus Americas and only for fulfillment of Airbus Americas POs. Such equipment and property shall be maintained and protected from damage or loss by the supplier. The supplier will obtain and maintain replacement value insurance on such property or equipment at supplier's expense and risk will cause Airbus Americas to be named a loss payee on such insurance.

**Article 19 – Patents and industrial property.**

The supplier will indemnify, defend and hold Airbus Americas harmless from and against any claims, losses, costs and expenses (including attorney's fees) arising out of or in connection with any claim that Airbus Americas' use or possession of any item, equipment, process or property supplied or used in performance of the PO infringes on any intellectual property right of any third party.

The supplier must take all necessary measures to ensure that the standard specifications, drawings or manufacture details relating to Airbus Americas' POs are protected from disclosure to any third party and will assure that all employees of supplier with access to such is aware of and complies with the supplier's obligations with respect to such confidential or proprietary information.

Airbus Americas shall be the sole owner of all designs, drawings, works of authorship, blue prints, technical information, models, prototypes, tools and elements of the know-how created by supplier in its performance under the PO. All rights to apply for or to intellectual property rights to such designs, drawings, blue prints, technical information, models, prototypes, tools and elements of the know-how are property of Airbus Americas. Supplier shall promptly execute all papers, cooperate with Airbus Americas, and perform all acts necessary and appropriate in connection with the filing, prosecution, maintenance, or assignment of related patents or patent applications on behalf of Airbus Americas.

**Article 20- Publicity.**

The supplier may not use, or refer to, any PO issued by Airbus Americas for publicity or marketing purposes without the written authorization of Airbus Americas.

**Article 21 – Indemnities and Insurance.**

The supplier shall be solely liable for and shall indemnify, defend and hold Airbus Americas harmless from and against all claims, losses, costs and expenses (including attorney's fees) arising out of or related to the performance of the PO or the goods or services delivered thereunder or supplier's negligence, willful misconduct or breach of the PO Terms.

If performance under the PO requires the presence of one party's representatives at the premises of the other party, each party shall be liable for and shall indemnify, defend and hold harmless the other party from and against all claims, losses, costs and expenses (including attorney's fees) in any way connected with the death of or injury to or the loss of or damage to any property of such representatives, except in the case of gross negligence or willful misconduct of the other party.

Without prejudice to the foregoing, supplier shall at its own cost obtain and maintain insurance for the following risks in amounts satisfactory customarily maintained by prudent members of supplier's industry:

- a) Damage to property lent to supplier by Airbus Americas;
- b) General third party liability insurance
- c) Product liability insurance

The supplier will provide, upon request of Airbus Americas, a certificate from a licensed insurance broker that the foregoing insurance coverages are in full force and effect.

**Article 22 – Governing Law**

These PO Terms are entered into and will be governed by the laws of the State of New York, without reference to any choice of law principles that could result in the application of the laws of any other jurisdiction.

AIRBUS AMERICAS APPROVING