General Conditions of Purchase

1. TERMS AND CONDITIONS: These general conditions of purchase in relation to SATE issuing a purchase order ("GCP") together with the terms and special conditions appearing on a purchase order ("Order") and any executed supply agreements concluded between the Parties ("Supply Agreement") and mandatory legislation together called "Procurement Conditions" are the only conditions on which SATE procures services or goods or both ("Deliverables"). SATE means the entity or entities that have signed a Supply Agreement or created a contract with the supplier accepting an Order ("Supplier"). Such SATE entity or entities will be severally but not jointly liable under the Procurement Conditions. Any terms other than the Procurement Conditions will be null and void.

2. TITLE: Title to goods will pass to SATE upon receipt at SATE's designated facility.

3. DELIVERY: Timely delivery in accordance with the Order is a material condition of the Procurement Conditions. Unless otherwise provided for on the Order, Deliverables will be delivered to SATE DDP (INCOTERMS 2010). If the delivery times as set out in the Order cannot be met or at any time at SATE's request, the Supplier will provide prompt information to SATE as to the causes and the mitigation action it proposes to take. Subject to clause 3 and 23, if the Supplier fails to deliver on the scheduled delivery date then SATE will recover from the Supplier all losses suffered by it as a result of the Supplier's failure to deliver on the scheduled delivery date.

SATE may, in respect of any failure to deliver on the scheduled delivery date, exercise its option under this clause at any time following the scheduled delivery date. Such option to be exercised in writing by SATE.

4. PRICES, INVOICES AND PAYMENT:
   4.1. The price stated on an Order is inclusive of all duties, levies and taxes in the country of origin of the Deliverables excluding value added tax or equivalent tax.
   4.2. Where the Procurement Conditions require the Supplier to submit an invoice, the Supplier will email invoices to SATE's Purchase Accounts Department at the email address on the Order on the day on which Deliverables are despatched or completed. The invoice will include the Order number.
   4.3. SATE will electronically transfer payment to the Supplier two months after the month end on which the relevant goods have been received or services completed, provided that the Supplier has supplied such goods or services in accordance with the Procurement Conditions and, where the Supplier is required to submit an invoice, such invoice is accurate and was received by SATE's Purchase Accounts Department within 7 days of despatch or completion of goods or services. If such Friday is not a normal banking day then electronic transfer of payment will be on the next banking day. Where SATE collects goods from non SATE premises, "received" means where the goods are delivered to SATE's premises, "received" means formal receipt by SATE's goods received area. Without prejudice to SATE's other rights and remedies, SATE may deduct from any payments due to the Supplier under any Procurement Condition the amount of any bona fide contra accounts or other claims that SATE may have against the Supplier in connection with the Procurement Conditions or any other agreement.

5. SATE PROPERTY: Any items held by the Supplier which SATE has paid for in full or which SATE may have loaned, bailed, consigned or supplied to the Supplier for the execution of an Order will be at the Supplier's risk until delivered to SATE. The Supplier will be fully liable for any damage caused to such items whilst in its possession. The Supplier will retain such items in good condition during performance and after completion of an Order and will not dispose of such items except in accordance with SATE's written instructions nor will such items be used other than for the purpose of such Order without SATE's prior written consent. The Supplier will ensure that such items are at all times identified as the property of SATE and do not become the subject of any encumbrance.

6. QUALITY, WARRANTY AND CODES OF PRACTICE:
   6.1. To the extent applicable for the performance of an Order, Supplier will comply with all specification requirements and quality requirements set out below and in an Order.
   6.2. The supplier shall:
      - Implement and maintain a quality management system i.a.w AS9100/ISO9001 latest revision or as per agreement with SATE. Any changes in certification status shall immediately be communicated to SATE buyer or quality department
      - Use customer-designated or approved (by SATE and/or end customer) external providers, including process sources.
      - Notify the organisation of nonconforming products, processes within 24hrs of detection and obtain approval for their disposition.
      - Document and implement measures to detect and prevent the use of counterfeit parts.
      - Notify the organisation of changes to process, products, external providers, location of manufacture and obtain SATE's approval.
      - Flow down SATE's requirements as per T&C's and Order to external providers and sub-tier suppliers.
      - If requested, provide test specimen for design approval, inspection/verification, investigation or auditing.
      - As a minimum ensure all measures are taken to prevent detrimental effect on product safety, including prevention of risk of harm to persons or damage to property. Any additional requirements regarding product safety will be flowed down through the order.
      - Ensure compliance with SATE's policy on responsible sourcing.
      - Unless otherwise stated on the Order through the flow down of end customer requirements, the supplier shall retain manufacturing records, such as but not limited to traveller, material certificates, objective evidence of inspections and tests, for a period of minimum 10 years. After this period deletion of these records shall be done post notification and agreement from SATE.
      - Where identified within the specification, drawing and/or purchase order, flow down key characteristics.
   6.3. First article inspections, full as well as partial, shall be done i.a.w. AS9100 and AS9102. All first deliveries of parts shall have a full first article inspection. The sample on which the FAI was performed shall be clearly marked, both on the sample as on the report. Any discrepancies detected by the supplier during the FAI shall be notified to the buyer and a deviation should be sought in advance of any parts being shipped. Failure to comply will result in the product being rejected.
   6.4. A certificate of conformance shall accompany each part/product and as a minimum clearly state the purchase order number, the part number or product reference, the quantity shipped, traceability information (batch numbers, lot numbers, or in case of serialised parts, the serial number(s), the applicable specification and/or drawing with its issue, the release specification, a release/conformity statement, if applicable a deviation number and in case of a non-dispositioned deviation, a reference to the authorisation to ship. The certificate shall be dated and signed by authorised personnel only for which the qualification records shall be made accessible to SATE on demand.
   6.5. The Supplier warrants that all Deliverables will conform to the Procurement Conditions and will be free from defects in material, workmanship and, if the Supplier has responsibility for design, the Supplier further warrants that all Deliverables will be free from defects in design.
   6.6. If Deliverables do not conform to the requirements set out in clauses 6.1 and 6.2 above ("Non-Conformance") and without prejudice to SATE's other rights and remedies which SATE may have, including without limitation the right to charge the supplier administrative charges, the Supplier will promptly replace or, where appropriate, repair or rectify any such Non-conformance at its own expense within 30 days of receipt of written notice of Non-Conformance. If the Supplier fails to promptly repair, rectify or replace any Non-Conformance, SATE may, without prejudice to its other rights and remedies, (i) choose to accept the Non-Conformance and SATE will be entitled to reasonably adjust the
Order price; or (ii) rectify or arrange to have rectified such Non- Conformance; or (iii) procure Deliverables from alternate sources in order to meet customer requirements. The Supplier will indemnify SATE against any related costs or loss of profits.

6.7. The Supplier will ensure that it and its personnel will comply with all relevant SATE provisions and codes of practice of SATE including without limit, its standard security and health and safety requirements as applicable, copies of which are available on request. The Supplier agrees that SATE (or their designated agent), their customer and regulatory authorities will have the right access applicable documented information and to enter the Supplier’s facilities at reasonable times to inspect the facility, Deliverables, materials and any property of SATE. Such inspection will not constitute or imply acceptance of any Deliverables.

7. TERMINATION:
7.1. Without prejudice to any rights and remedies, SATE may immediately terminate an Order in whole or in part by giving the Supplier written notice, identified as a “Notice of Termination”, whereupon all work on that Order will cease. SATE will pay the Supplier in full and final satisfaction of all claims arising out of such termination: the price of all Deliverables which the Supplier has justifiably produced and completed in accordance with such terminated Order or part of the Order and which SATE has not paid for; the cost of settling any legally justified claims in connection with the necessary termination of sub contracts justifiably entered into in respect of the terminated Order or part thereof and the cost to the Supplier of any justified work in progress in respect of such Order.

7.2. The amount payable to the Supplier under Clause 7.1 above will not exceed the total amount that would have been payable to the Supplier for the Deliverables and payment is subject to the Supplier submitting its notice of claim within 2 calendar months of the termination date. Any finished Deliverables and any work in progress paid for by SATE under Clause 7.1 above will be delivered to SATE or be held by the Supplier as SATE property in accordance with clause 5 above.

7.3. If SATE has reasonable grounds for believing the Supplier will be unable to substantially fulfil its obligations under the Procurement Conditions, SATE may require the Supplier to provide reasonable written evidence that the Supplier will fulfil its obligations. If the Supplier fails to provide such evidence within 30 days of SATE’s request, SATE may treat that failure as a material breach and terminate the relevant Order or part of the Order and which SATE has not paid for; the cost of settling any legally justified claims in connection with the necessary termination of sub contracts justifiably entered into in respect of the terminated Order or part thereof and the cost to the Supplier of any justified work in progress in respect of such Order.

8. INTELLECTUAL PROPERTY:
8.1. “Intellectual Property” or “IP” includes any and all inventions whether or not patentable, utility models, trademarks, component designs or manufacturing processes and any improvements or enhancements thereto, copyrights and moral rights, database rights, trade secrets and know-how, in each case whether registered or unregistered, and also including identified technical and non-technical or business-related information such as specifications, computer programs, drawings or blueprints.

8.2. If any Deliverables, including, without limitation, any products, processes or business methods arise out of any research or development that is funded by SATE, then all Intellectual Property arising therefrom, including, without limit, new technologies that are developed under such funding and all Intellectual Property rights in and to the same, will vest solely and absolutely in SATE. Any and all SATE owned or licensed Intellectual Property including, without limit, designs, drawings, processes and developments which may be supplied to the Supplier pursuant to any Order will remain the sole and undivided property of SATE and/or its licensors. The Supplier will use such Intellectual Property and Intellectual Property rights only for the purposes of performing its obligations under the Procurement Conditions and not otherwise. The Supplier will require its employees, sub-contractors and agents to sign all papers and do such acts and things as are reasonably necessary for SATE to secure title in, and to pursue formal patent grant or registration of, any Intellectual Property and Intellectual Property rights arising out of or in connection with any Order as contemplated by this clause.

8.3. If any allegation is made or any claim asserted against SATE, or any person claiming title from or through SATE, that any act done or proposed to be done in relation to Deliverables constitutes a violation or infringement of any patent, copyright, registered design or other proprietary right held by a third party, the Supplier will indemnify SATE and hold SATE harmless for and against any loss or damage (including, without limitation, all costs and expenses) arising directly or indirectly out of such allegation or claim however caused unless the allegation or claim is the direct result of the Supplier following a design or process required by SATE.

9. PROPRIETARY INFORMATION:
9.1. “Proprietary Information” means all commercial, financial, technical or operational information, and any intellectual property not publicly known or available, which by its nature is confidential, and such information that has been or may be disclosed or otherwise made available in whole or in part to a receiving Party or any Representative in any form or medium. “Representative” means any one or more directors, officers, temporarily contracted personnel, or Affiliate of a Party. “Affiliates” means any entity that controls, is controlled by, or is under common control with either Party, and “control” means (a) an ownership interest, directly or indirectly, of more than fifty percent (50%) in such entity or Party, or the maximum percentage permitted under local laws or regulations in those countries where more than fifty percent (50%) ownership by a foreign entity is not permitted, or (b) the ability to direct the management or policies of such entity or Party, whether through ownership, contract, or otherwise. The Parties agree to exchange and disclose to each other certain of their Proprietary Information. Such information may include hardware, software, component design, manufacture, inspection, repair and overhaul, business information relating to supplies, pricing, costs, profits, business plans and strategies, customer or vendor lists and legal or financial advice. Documents containing Proprietary Information should be marked as “Proprietary,” and for non-US purposes the term “Confidential” may be used instead however, the Parties agree that such information will be considered Proprietary Information, even if it is inadvertently not marked as such., Proprietary Information will be disclosed only as necessary and only for the purpose of fulfilling an Order. Title to any Proprietary Information will not be affected by any such exchange or disclosure.

9.2. Any Proprietary Information disclosed by one Party to the other in connection with an Order or a proposed Order will be treated in confidence and will not be copied or disclosed to any third party without the prior written consent of the disclosing Party. The receiving Party may only disclose Proprietary Information to its Representatives on a need-to-know basis in connection with these Procurement Conditions. The receiving Party will, at its sole cost and expense, ensure that the nondisclosure obligations of these Procurement Conditions are known, understood by and complied with by its Representatives. The receiving Party will be liable for any and all breach of confidence by its Representatives. These provisions do not apply to Proprietary Information that: (i) is in the public domain at the time of receipt by the receiving Party through no fault of the receiving Party; (ii) is lawfully received by the receiving Party from a third party who is without an obligation of nondisclosure; (iii) is developed by the receiving Party
independently of the Proprietary Information, as established by extrinsic evidence, or (iv) is known by the receiving Party at the time of receipt.

9.3. The receiving Party will make only such copies or duplicates of any Proprietary Information as are necessary for the purposes contemplated. All copies will be maintained in confidence in the same manner as the originals from which the copies were made.

9.4. Upon expiry or termination of an Order, the receiving Party will destroy, or return upon request, any Proprietary Information, including all copies, belonging to the disclosing Party disclosed in relation to that Order. The receiving Party acknowledges that it has no rights of use in or to such Proprietary Information after the return date or date of destruction.

9.5. If the receiving Party or any of its Representatives believes it is required by law or is otherwise obliged to disclose any Proprietary Information to any third party for any reason, the receiving Party will provide the disclosing Party with immediate written notice of such requirement or obligation (together with a copy of any relevant access request, court order, or other evidence giving rise to such belief) to enable the disclosing Party to seek appropriate protective relief or to take steps to resist or narrow the scope of any required disclosure. The receiving Party will cooperate with the disclosing Party with respect to such matters and will in any event disclose only Proprietary Information as it has ascertained, after taking legal advice, it is legally compelled to disclose, and will ensure to the best of its ability that all Proprietary Information so disclosed is accorded confidential treatment. The receiving Party will always notify the disclosing Party in writing of the means, content and timing of such disclosure prior to such disclosure being made.

9.6. Notwithstanding the Supplier's obligation to obtain SATE written permission to disclose SATE Proprietary Information to a third party, the Supplier will procure that all SATE Proprietary Information supplied by SATE under any Order that is in the possession of the Supplier's sub-tier suppliers, sub-contractors and agents will be held in confidence and that it will take all necessary steps and actions to ensure that any such third party complies with all confidentiality provisions herein. The Supplier will indemnify and hold harmless the receiving Party in the event of any breach of such provisions by any such third parties. Furthermore, the Supplier will notify SATE of any such breach or potential breach and will inform SATE of what actions it is taking to prevent or remedy such breach or potential breach to ensure risks to SATE are mitigated. SATE reserves the right to take its own action against any such third party that misuses or that might reasonably misuse its Proprietary Information and to direct the Supplier to take certain actions.

9.7. The receiving Party will maintain and reproduce on all copies (including electronic documents), the proprietary markings and other legends contained on the Proprietary Information, and the receiving Party will not add any further markings to such Proprietary Information without the prior written consent of the disclosing Party. In addition, the Supplier will not without the prior written consent of SATE, use any SATE Proprietary Information to manufacture, supply, design, develop, sell, or provide goods, work, or services to any third party.

10. CONTROLLING INTEREST:

10.1. "Competitor" means the acquirer or any entity that is in the same corporate structure as such acquirer, including but not limited to parent, subsidiary, joint venture company that offers or remedies breach or potential breach to ensure risks to SATE are mitigated. SATE reserves the right to take its own action against any such third party that misuses or that might reasonably misuse its Proprietary Information and to direct the Supplier to take certain actions.

10.2. While the Supplier is under contract to SATE, if a Competitor acquires or is in due diligence to acquire a Competitor performing under an Order, the Supplier will immediately notify SATE in writing of the actual or potential acquisition, subject to regulatory or statutory obligations and the identity of such likely acquirer subject to the agreement of such likely acquirer.

10.3. If the third party directly or indirectly acquiring a controlling interest in the Supplier is a Competitor, then SATE may, without prejudice to any other rights and remedies it may have, immediately by written notice terminate an Order or the Supply Agreement in whole or part without any liability.

10.4. In addition to the provisions in clauses 10.1 to 10.3 above, if during the term of the Supply Agreement any third party or parties (acting together) takes any steps to acquire a Controlling Interest in the Supplier, its sub-contractor or any holding company, subsidiary, group company or division of the Supplier, the Supplier shall immediately notify SATE in writing of the actual or potential acquisition and the identity of the third party or parties involved. If SATE determines that such an acquisition is or could potentially be contrary to its commercial interests, or could impair SATE's performance of its obligations, SATE may, without prejudice to any other rights and remedies it may have, including specifically under clause 7.3 of the GCP, immediately by written notice terminate an Order or the Supply Agreement in whole or part. In event of such a termination (i) SATE will, in full and final satisfaction of all claims arising out of such termination, pay the Supplier the price of all Deliverables which the Supplier has justifiably produced and completed in accordance with such terminated Order or part of the Order before the date of termination and for which SATE has not paid; and (ii) if it has not already done so, the Supplier will promptly deliver all Deliverables produced and completed before the termination date to SATE or hold such Deliverables as SATE property.

11. PERSONAL INFORMATION: If the Supplier deals in the personal information of any employee or contractor of SATE, it will at a minimum and regardless where it is located and whether it is the controller or processor of such information, comply at a minimum with SATE's instructions, and the relevant laws on the protection of personal information in the jurisdiction of the SATE entity placing an Order. The Supplier will, at all times during and after the contract period, indemnify SATE and keep SATE indemnified for and against all losses or fees and other liabilities (including legal fees) incurred by, awarded against or agreed to be paid by SATE arising from its breach of this clause except and to the extent that such liabilities have resulted directly from the instructions of SATE.

12. EXPORT CONTROL LAWS:

12.1. The Supplier acknowledges that any information provided to or received by it in accordance with or in relation to the GCP, the Supply Agreement or an Order may be subject to export control laws and regulations including, without limitation the United States Department of State International Traffic in Arms Regulations ("ITAR") and the United States Department of Commerce Export Administration Regulations ("EAR"). The Supplier agrees that it will strictly comply with all applicable requirements under such laws and regulations. The Supplier warrants and undertakes that it will not use or permit the use of, export or transfer (by any means, electronic means or otherwise), any information or Deliverables which are subject to export control laws and regulations without complying in all respects with the applicable export control laws and regulations including, without limitation, all codes of conduct, relevant export licence(s), guidelines, notices and instructions in relation to any use, export or transfer of information or Deliverables.

12.2. The Supplier agrees to afford SATE and any competent governmental department or other governmental administrative body access to Supplier's premises, for the purpose of auditing Supplier's compliance with the requirements of 12.1 above and to provide all necessary facilities and assistance for such an audit to take place.

Where the Deliverables to be provided by the Supplier pursuant to any Order include the provision of services to be performed for or on behalf of SATE and which will, or may, involve Supplier's employees having or having the potential to gain access to information which is subject to export control laws and regulations; the Supplier will comply with all applicable export control laws and regulations including, without limitation, all codes of conduct, relevant export licence(s), agreements, guidelines, notices and instructions in relation to any use, export or transfer of information or Deliverables.
Neither Party will use the other Party's name or trademarks in any publicity without the other Party's prior written permission.

15. WAIVER AND REMEDY: The rights of a Party may be exercised as often as it considers appropriate, are cumulative and may apply in addition to any other rights available at law or equity. A waiver of any rights hereunder shall not be effective unless expressly waived in writing signed by the affected Party. Not exercising a delay in exercising a right is not a waiver of that right.

16. CONFLICT: If there is a conflict of terms the order of precedence will be: (1) any mandatory legislation; (2) the statement of work; (3) the Supply Agreement; (4) the GCP and (5) terms appearing on the front of an Order other than mandatory legislation.

17. TRANSFER AND THIRD PARTY RIGHTS: No Party will assign or otherwise transfer any of its rights or obligations to any third party. However, SATE may, upon prior written notice to the Supplier, transfer any or all of its rights or obligations under these Procurement Conditions to any of its Affiliates. Nothing in the Procurement Conditions will be construed as creating any rights in respect of any third parties (including, without limitation, any employee, officer, agent, representative or sub-contractor of any Party) under, as a result of, or in connection with the Procurement Conditions.

18. NOTICES: All non-legal notices to be served under any Order must be in writing and addressed to the Party at the address on the Order. Such notices may be delivered by hand or sent by fax or recorded delivery post. Service of legal notices will comply with the relevant provisions in the relevant country of supply.

19. AMENDMENTS: The Procurement Conditions will not be amended other than by an agreement in writing signed by an authorised signatory of the Parties concerned, which is expressly stated to amend the Procurement Conditions.

20. SEVERABILITY: If any provision of the Procurement Conditions becomes illegal, invalid or unenforceable in any jurisdiction in relation to any Party, that provision will not invalidate the remaining provisions or affect the legality, validity or enforceability of that or any other provision in any other jurisdiction.

21. REPRESENTATIONS: The Parties agree that they have not contracted on the basis of any oral or written warranty representations, statements, communications, agreements or undertakings ("Representations"). The Parties agree that they will have no right or remedy in respect of any Representations (whether made negligently or innocently), except those expressly incorporated in the Procurement Conditions. Nothing in this clause 21 will limit or exclude any liability for fraud.

22. SURVIVAL: The provisions of clauses 5 - 9, 11, 12 and 14 - 23 and will survive any expiry or earlier termination or after the Order becomes impossible of performance or is otherwise frustrated.

23. FORCE MAJEURE: Any delay or failure of either Party to perform its obligations hereunder will be excused if, and to the extent that it is caused by an event or occurrence not reasonably foreseeable and beyond the reasonable control of the affected Party and without its fault or negligence, such as, by way of example and not by way of limitation, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, inability to obtain power, material, labour, equipment or transportation, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay) will be given by the affected Party to the other Party as soon as possible but in any event not later than 5 days. During the period of such delay or failure to perform by Supplier and after prompt notice from Supplier to SATE of the occurrence of such an event, SATE, at its option, may purchase Deliverables from other sources and reduce its requirement to Supplier by such quantities, without liability to Supplier, or have Supplier provide the Deliverables from other sources in quantities and at times requested by SATE and at the price set forth in the Order. If requested by the SATE, Supplier will, within 10 days of such request, provide adequate assurances that the delay will not exceed 30 days. If the delay lasts more than 30 days, SATE may immediately cancel the Order without liability. The Supplier will in any event, make all reasonable endeavours to mitigate the effects of any delay. For the avoidance of doubt, strikes, lockouts or other industrial action or disputes specific to the Supplier and/or its subcontractors or agents shall not be considered a force majeure event.

24. REACH:

24.1 Supplier warrants that where it sells, supplies or transfers Deliverables to SATE in Europe, and Regulation (EC) No. 1907/2006 of the European Parliament concerning the registration, evaluation, authorisation and restriction of chemicals ("REACH") applies, it has complied with REACH and that each chemical substance constituting or contained in or used in the manufacture of Deliverables sold, supplied or transferred to SATE is, where required, registered; registered for SATE particular use; supplied with a safety data sheet compliant with REACH; is not restricted under Annex XVII of REACH; and if it appears on Annex XIV of REACH is authorised for SATE use.

24.2 Whether or not REACH applies, Supplier will immediately notify SATE if any Deliverables sold, supplied or transferred to SATE contain a substance listed on the Candidate List of Substances of Very High Concern for Authorisation ("the Candidate List") published by the European Chemicals Agency. Supplier will give SATE the name of the chemical substance and any information required by SATE to allow safe use of the Deliverables or to fulfil its own obligations under REACH. This clause 24.2 applies whether the sale, supply or transfer of Deliverables to SATE is inside or outside Europe.

24.3 Whether or not REACH applies to any Deliverables sold, supplied or transferred to SATE, on request by SATE, Supplier will provide all information required by SATE which will enable SATE to comply with its duty to communicate information on substances in articles as required by Article 33 of REACH, including but not limited to chemical composition, test data, hazard information and safety data sheets. This clause 24.3 applies whether the sale, supply or transfer of Deliverables to SATE is inside or outside Europe.

24.4 Supplier will comply with any other request for information by SATE which is required to enable SATE to comply with its obligations under REACH. All information supplied to SATE under clauses 24.1 to 24.4 will comply with REACH and any other requirements of SATE expressly notified to the Supplier by SATE. This clause 24.4 applies whether the sale, supply or transfer of Deliverables to SATE is inside or outside Europe.

24.5 Clause 6.3 will apply if Deliverables do not conform to the requirements set out in Clause 24. Supplier will indemnify SATE against any and all damages, losses, costs, actions, claims, liabilities or expenses suffered or incurred by SATE whether in contract, tort (including negligence) breach of statutory duty or otherwise, arising out of or in connection with any breach by the Supplier relating to clauses 24.1 to 24.5.