

GENERAL PURCHASING CONDITIONS

In these General Purchasing Conditions, E.H.P. S.A. (Euro Heat Pipes) shall be referred to as the Purchaser.

The term Vendor shall refer to any natural person or legal entity assuming responsibility for execution of an Order.

Unless stipulated otherwise in the agreed specifications and special conditions, all Purchase Agreements are subject to these conditions.

Each and every one of these General Conditions forms an integral part of the Agreement or Order of which they are essential and determinant elements; unless expressly agreed otherwise beforehand in writing, they exclude any other conditions that the Vendor might intend to apply to their dealings with the Purchaser.

1. FORMATION OF THE AGREEMENT

- 1.1. Price requests from the Purchaser cannot under any circumstances be construed as a commitment or promise to enter into an Agreement.
- 1.2. Saving exceptional circumstances (for example: urgent order placed by telephone), only Orders in the form of a written Order and on paper, electronic medium or fax identifying the sender establishment shall be accepted as valid. Any verbal Order must be confirmed in writing. These Contracts and Orders do not bind the Purchaser unless placed by persons authorized to issue them.
- 1.3. The Vendor is requested to return a copy of each Agreement or Order (or receipt of each Order), duly signed and dated, with the annotation "approved" by an authorized person within 14 working days of the Purchaser sending the same. Electronic signatures are treated as being equivalent to hand-written signatures.
- 1.4. The Vendor undertakes to write any remarks relating to the Order and to forward them to the Purchaser within 14 working days of the Purchaser's sending the Order. Regarding such remarks, the Purchaser reserves the right to cancel the Order without thereby giving entitlement to compensation. In general, no amendment to the conditions of the Order will be considered as accepted by the Purchaser unless it is the subject of a written consent given by the latter.
- 1.5. After receipt of our Order and without notes by the Vendor within the aforementioned timeframe, the Purchaser has the right to consider either that no Agreement or Order has been made, or that the Vendor has accepted it without reserve, in each of its specifications, conditions and stipulations, and thus to demand execution of the Agreement or Order. The Purchaser may exercise this choice whenever they so wish, without service of formal notice or prior procedure. No reserves or restrictions asserted by the Vendor after the Order has been issued may be taken into consideration without the written consent of the Purchaser.

2. PRICES

- 2.1. Unless expressly stipulated in the specifications or in the special conditions, all prices stated in the Agreement or Order are fixed, final and non-revisable.
- 2.2. The prices cover all costs, charges and taxes (transport, insurance, packaging, customs clearance dues in an exporting country, etc.)
- 2.3. The Purchaser will not accept charges or taxes not indicated in the specifications or in the special conditions of the Agreement or Order; they shall be defrayed solely by the Vendor. The foregoing likewise applies in respect of exceptional transport costs that may be incurred by the Vendor with a view to respecting the agreed delivery times.

3. TRANSFER OF OWNERSHIP

- 3.1. In general, and unless otherwise stipulated, the Vendor accepts the definitions given in the Incoterms of the International Chamber of Commerce (Incoterms version 2010).
- 3.2. In the absence of Incoterms or of contrary provisions set out in the specifications and special conditions of the Agreement or Order, the transfer of ownership and risks to the Purchaser is not effected until the time of correct delivery of the Supplies to the appointed place.

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- 3.3. No reserve of ownership clause stipulated by the Vendor may be contested by the Purchaser unless it has not been expressly accepted in writing beforehand.

4. DELIVERY / SUPPLIES

- 4.1. Unless otherwise arranged in writing, Supplies are delivered to the location indicated on the Order; all deliveries are made direct to our factories: Rue de l'Industrie 24, 1400 Nivelles - Belgium.
- 4.2. The Purchaser reserves the right to refuse Supplies (by letter, fax or any other electronic means) in case of late delivery, incomplete or excess delivery, or non-conformity of the Order or other documentary requirements in force.
- 4.3. The Vendor shall deliver the Supplies in packaging that will guarantee total protection during goods handling, transport and storage operations. Any damage (breakage, missing items, damage, etc.) to the Supplies due to incorrect or unsuitable packaging will be charged to the Vendor.
- 4.4. Each packaging unit must be marked legibly on the outside with the information required under regulations relating to transport and special storage conditions.
- 4.5. Each delivery shall be covered by a despatch note allowing the identification and adapted acceptance of Supplies and their quantitative control (stating the Order and batch number, description of Supplies, name and address of forwarding agent, name of Purchaser's contact person, delivered load, weight, Customs tariff number, etc.)
- 4.6. Belgian legislation applies in respect of return of packaging.
- 4.7. The Purchaser reserves the right to return, at the Vendor's cost and risks, any refused Supplies (within 30 days to be calculated from notification of refusal of delivery). The Purchaser reserves the right to demand compensation from the Vendor for all additional costs resulting from the non-performance of its obligation of per-specification delivery (warehousing, closure, transport, unpacking, repacking, etc.) or any other incident causing interruption of flow and/or other problems Purchaser-side (retouches, management of rejects, breakdowns and failures, production outages, etc.) and/or for the end client (breakdowns and failures, replacement Orders, etc.)

5. DELIVERY TIMES

- 5.1. The delivery times and locations indicated in the Order are essential and determinant elements of the Purchaser's consent.
- 5.2. In case of late delivery, the Purchaser is within their rights to claim from the Vendor, without service of formal notice, a lump-sum penalty of 1% per week overdue, calculated on the total amount of the Order, each part week counting as a full week. This penalty could be subjected to a ceiling by means of a special agreement between the Purchaser and Vendor. It will be deducted automatically from the amounts owed to the Vendor.
- 5.3. In case of non-respect of delivery times, after service of notice fails to elicit any useful response within 4 weeks, the Purchaser reserves the option, by simple notification to the Vendor and without requiring recourse to court authorization, to automatically cancel the outstanding Supplies still to be delivered by virtue of the Order and/or to seek supplies from another provider, and this to the exclusive detriment of the defaulting Vendor.

6. CONFORMITY AND GUARANTEES

- 6.1. The Vendor, being an expert, is bound by a performance obligation and thereby assumes, inter alia, full responsibility for the Supplies, their design, their manufacturing process, the manufacturing techniques deployed and their being rendered fit for purpose, whereof the Vendor declares perfect knowledge.
- 6.2. The Vendor guarantees the Supplies against all non-conformity with regard to the Order and/or the Documents applicable to the Order, whether arising from a fault in design, material or manufacture, and more generally against all defects whether visible or hidden. (Acceptance of the delivery, that is, the agreement on the compliance of the Order as regards its nature, quality, etc. will not take place until after inspection by the Purchaser.) Only inspections conducted using devices approved by the Purchaser have probatory force.
- 6.3. The Vendor must plan, implement and control processes in order to prevent the use of counterfeit products or products suspected being counterfeit, and their inclusion in products delivered to EHP.
- 6.4. The Purchaser reserves the option to inspect the products concerned or to arrange for their inspection by an approved agency at any stage of the Order without thereby releasing the Vendor from their obligations and responsibilities.

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- 6.5. All moulds, tools, machinery and other specific equipment ("the Equipment") owned by the Purchaser, in accordance with the provisions laid down in the specifications and special conditions of the Agreement or Order, placed on the Vendor's premises, may not be hired out, placed at the disposal of third parties, reproduced or copied. The "Equipment" must be identifiable as belonging to the Purchaser and, if possible, have affixed a plate or an indelible inscription stating that it is the property of the Purchaser. The Vendor, as a custodian, guarantees the perfect servicing, conservation, inspection and maintenance of the "Equipment", so as to avoid, for instance, any lag or interruption of supply.
- 6.6. In the event the supply does not conform to the Order, the Purchaser reserves the option:
- to cancel or suspend any outstanding Supplies in progress;
 - and/or to instruct the Vendor to replace the products concerned within the timeframe agreed in the Order;
 - and/or to effect or to make arrangement for the necessary repair operations at the Vendor's cost and risk;
 - and/or to claim against the Vendor for damages and interest resulting from the non-performance of their obligations;
 - and/or to impose penalties on the Vendor in accordance with the conditions laid down in Article 5.2.
- 6.7. The Vendor is obliged to remove any refused or surplus goods at their own cost and within the appointed period of time.
- 6.8. The Vendor must establish and use procedures regarding the identification, collection, serialization, classification, storage, maintenance and scrap of quality information. The duration of storage must be compliant to the following: test results, control results, productions results, raw materials test results, analysis reports and recordings must be stored fifteen (15) years minimum after the contract or the order, unless otherwise specified; Reports related to the design and certification of a product must be stored fifteen (15) years minimum after the contract or the order. If those reports cannot be stored that long, the Vendor must refer this to EHP's quality department. In case of contract termination or bankruptcy, all applicable quality reports must be returned to EHP.
- 6.9. It is up to the Vendor to ensure that its personnel is perfectly trained, skilled, qualified and capable of satisfying all requirements in the order and to supply its personnel all instructions or to impose all necessary sanctions. Nothing in the order could be interpreted as setting up a hierarchical relationship between the Purchaser and the Vendor's employees.
- 6.10. The Vendor accepts and conforms itself to all ethical requirements listed in Airbus's Code of Conduct, available on EHP's website.

7. TERMINATION

Apart from the cases of cancellation of the Order reserved for the Purchaser under Article 1. § 1.5, in case of non-performance by the Vendor of any of their contractual obligations, the Purchaser may automatically cancel, 10 days after service of formal notice by registered letter with proof of receipt which remains wholly or partially without effect after that time.

8. INVOICING - PAYMENT

- 8.1. Save as otherwise provided in writing, the Vendor shall send an invoice by Order form to the address indicated by the Purchaser in the specifications and special conditions of the Order. The invoicing of Supplies may in no case precede delivery thereof.
- 8.2. In case of early delivery, the payment period shall not commence until the scheduled delivery date.
- 8.3. Invoices are to be settled by bank transfer, in remittances, by bills of exchange or other commercial papers 60 days from the end of the invoicing month. The Purchaser has the option of offsetting sums owed to him by the Vendor for whatever reason by virtue of the Order. The invoice must state all details included in the Order, allowing identification and control of Supplies and establishment of documents required by the regulations in force (date, number, reference, unit price, VAT, Intrastat code, country of origin of the goods, weight, etc.)
- 8.4. Late payment: In the event that the Vendor claims penalties for late payment, these penalties shall be limited to an amount equivalent to that which would result from application of the legal interest rate.

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9. INDUSTRIAL / INTELLECTUAL PROPERTY

- 9.1. Models, tooling, plans or other technical documents provided by the Purchaser to the Vendor or financed by the Purchaser, prior to the Order or execution thereof, remain the full property of the Purchaser.
- 9.2. The Vendor shall refrain from reproducing or copying them and from disclosing them to third parties without express written prior permission from the Purchaser. They shall refrain from using them for any purpose other than the execution of the Order and shall return them to the Purchaser immediately when requested to do so.
- 9.3. The Vendor guarantees that their products are free to be put up for sale and do not contravene any industrial or intellectual property rights of third parties. They undertake to take the place of the Purchaser, should the latter so request, in any legal proceedings initiated in the matter and to reimburse any sums paid to that effect (fees, damages, interests, legal costs, licence, etc.).

10. OPENING OF THE SITE

When the Purchaser considers that the opening of the site is necessary, access to the site is not granted to the Vendor until they have satisfied all the administrative formalities involved in these site openings.

The "Opening of Site", signed by the Vendor or by one of their competent agents with decision-making powers, is an annex forming an integral part of this Order.

In the event that the Vendor enlists the services of a subcontractor to perform tasks included in the Order, with the express written consent of the Purchaser, they undertake to enter with such subcontractor into an Agreement setting out safety clauses similar or identical to those included in the Order.

11. CONFIDENTIALITY

All information communicated to the Vendor by the Purchaser, including but not limited to information of a technical, industrial, commercial or financial nature, regardless of the method of communication (including, more particularly, the relevant drawings, plans, descriptions, specifications, reports, diskettes, software packages and documentation, etc.) are confidential (the "Information").

The "Information" is to be used for the purposes of the Order only. The Vendor shall take all measures to make certain that no Information is communicated nor disclosed to any third party.

12. "FORCE MAJEURE"

The term "force majeure" is here taken to refer to any unforeseen and inevitable event outside the will or control of the Parties, supervening after the entry into force of the Agreement and preventing the complete or partial execution of the obligations under this Agreement.

The following may be regarded as acts of force majeure: natural disaster (earthquake, flood, etc.), armed conflicts (riot, terrorist outrage, rebellion, etc.), work conflicts outside the factory (national, general or industry strike). The Purchaser and Vendor are released from their obligations in such cases.

However, the Vendor may not plead such circumstances unless they have notified the Purchaser immediately and the latter confirms notification by registered letter within two working days.

13. COMPETENCE

The Parties undertake to seek the amicable, out-of-court settlement of any dispute or any claim concerning Orders or these GPC. Failing settlement within a reasonable period of time, all proceedings that might arise from agreements concluded between the Parties will be referred to the Law Courts of Nivelles, solely competent, even in case of the introduction of third parties or plurality of defenders.

The applicable law is Belgian law, with the exception of all international conventions, in particular the Vienna Convention of 11 April 1980 relating to the international sale of goods.

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14. NON-ASSERTION OF A RIGHT

Non-assertion of a right on the part of the Purchaser by virtue of these General Purchasing Conditions cannot in any case be taken to mean that the purchaser has surrendered that right. The Purchaser may assert that right at any subsequent point in time.