



GENERAL TERMS AND CONDITIONS OF PURCHASE

1. RECITALS

The entities controlled by IMC International Metalworking Companies B.V., and/or any of their affiliates and/or subsidiaries (hereinafter: "Buyer") may, from time to time, purchase goods and/or materials and/or equipment and/or machines and/or services of any kind from the Supplier (hereinafter: "Goods" and "Supplier").

These General Terms and Conditions of Purchase (hereinafter: "General Terms") do not obligate the Buyer to purchase any quantity of goods and/or services from the Supplier. The Supplier and the Buyer agree that all such purchases and sales between the Buyer and the Supplier shall be subject to these General Terms, as may be amended by Buyer from time to time. Should at any time, any inconsistency, incompleteness or any incoherence between the terms of a Purchase Order (as defined herein below) these General Terms, and/or the terms of any other agreement between the Buyer and the Supplier, the terms of the Purchase Order shall prevail. Buyer may notify Supplier of any change to these General Terms in any way Buyer deems fit, including through placing of a general notice in the Suppliers' portal maintained by the Buyer. Terms and conditions of Supplier and any other terms and conditions of business contained in any acknowledgements, standard forms or other documents issued by Supplier shall not apply, regardless of whether or not Buyer expressly objects to them in a particular case.

2. PURCHASE ORDERS AND ACKNOWLEDGEMENT

- 2.1 Purchase Orders (for all purposes hereinafter: "Purchase Order") shall always be subject to these General Terms, and forwarded to the Supplier in advance by mail, fax, email or any other electronic means that have been agreed upon. Any changes and/or amendments of Purchase Orders shall be agreed by both Parties expressly in advance and in writing. The Supplier will confirm in writing to Buyer the content and terms of the Purchase Order within three (3) days of receipt thereof.
- 2.2 Supplier's confirmation of a Purchase Order or beginning performance of any Purchase Order shall constitute acceptance and deemed as consent to these General Terms and shall automatically mean that the Supplier undertakes to comply with the Buyer's production policies, the Buyer's quality assurance policies, any applicable legal rules and regulations, as well as any other Quality and Environmental control procedure(s) that may be implemented in the Buyer's place of business during the term of the Purchase Order as may be announced or posted online by the Buyer from time to time, including without limitations the Buyer's General QA Requirements (hereinafter: the QA Requirements"), which shall be deemed an integral part of these General Terms.

3. PRICING, INVOICING AND PAYMENT

- 3.1 The applicable agreed price for any and all transactions shall be the price mentioned in Buyer's Purchase Order (the "Price"). Such Price shall always be stipulated as final and firm, and not subject to revision or increase, or any adjustment due to, but not limited to, currency fluctuation. Unless otherwise agreed in writing, the Price shall include packaging costs, training costs (as further described herein below) and of any and all taxes, levies, expenses, costs, risks and/or expected profits related to or in connection with the performance of the Purchase Order. No extra charge of any kind will be accepted by the Buyer unless specifically agreed in writing by the Buyer in advance and stated within the Purchase Order.
- 3.2 For the avoidance of doubt, unless otherwise specifically agreed in writing by Buyer before approving the Purchase Order, the Supplier acknowledges and agrees that the Price shall include any and all required and accompanying parts, equipment, programs, know-how, data, code, information and/or components otherwise necessary for the proper operation of the Goods to the satisfaction of the Buyer. The Supplier shall provide to the Buyer's operator and maintenance representatives, employees and designated staff, at the Supplier's sole expense, any and all applicable training information, materials and tutoring required for the proper operation and maintenance of the Goods.
- 3.3 The Supplier shall invoice the Buyer according to the invoicing schedule set out in the Purchase Order (hereinafter: the "Invoice"). Invoices shall include references to the Purchase Order number, quantity and description of supplied Goods, date and reference of delivery notice. Invoices shall be accompanied by all the necessary supporting documents.
- 3.4 Unless otherwise stated in the Purchase Order, the Supplier shall issue one Invoice per order. Unless a different invoicing address is specified, Invoices shall accompany the Goods. Invoices that do not comply with the abovementioned conditions shall be treated by Buyer as null and void and shall be returned to Supplier.
- 3.5 Unless otherwise agreed in writing, the payment term of any Invoice shall be determined by the Buyer; provided that, if applicable mandatory laws require earlier payment, the payment term shall be adjusted so as to satisfy such requirement.
- 3.6 If the provision of a guarantee has been agreed upon, the Supplier shall furnish to the Buyer by swift an unconditional and irrevocable bank guarantee and payable on Buyer's first demand.
- 3.7 Buyer shall have the option of offsetting amounts owed to it by the Supplier for any reason whatsoever.

4. PACKAGING AND DELIVERIES

- 4.1 Unless special packaging is specifically requested

by the Buyer in the Purchase Order, the Supplier shall supply the Goods with adequate packaging, while taking into account the nature of the Goods and taking all measures to protect the Goods from weather, corrosion, loading accidents, transportation or storage constraints, vibrations or shocks, etc.

- 4.2 All shipments must be made in accordance with the instructions shown in the Purchase Order. Any increases in shipping costs, which occurred for any reason and without the prior written consent of the Buyer, shall be borne by the Supplier. In any case Goods shall be wrapped, packed, packaged, marked, labeled and otherwise prepared for shipment in a manner which is in accordance with these General Terms and with good commercial practices acceptable to common carriers for shipment at the lowest rates and adequate to ensure safe arrival of the supplies at the named destination. The Supplier shall comply with any and all packaging instructions of the Buyer.
- 4.3 The Supplier shall promptly send to the Buyer an appropriate and separate notice of shipment, including the information contained on any Packing Slips and all other information relating the shipment date and handling.
- 4.4 The Supplier shall include Purchase Order N° and the Supplier Code N°, on all Bills of Lading.
- 4.5 The Supplier shall be financially responsible for any damage of all kinds and nature (breakage, missing items, partial damage, etc.) to the Goods as a result of inappropriate or inadequate packaging.
- 4.6 The method of delivery and the respective obligations of the Parties shall be specified in the Purchase Order using the commercial terms defined in the INCOTERMS 2020 (as may be amended from time to time). Unless otherwise specified, carriage of Goods shall be at Supplier's own risk and expense. The Supplier shall acquire and provide to the Buyer proof of adequate insurance for the Goods, at all times until the arrival of the Goods at Buyer's premises or the destination otherwise agreed, and the acceptance of the Goods by the Buyer.

5. TIME SCHEDULE AND DELAYS

- 5.1 The time schedule and delivery date(s) are specified in the Purchase Order. The Supplier's acceptance of the Purchase Order shall constitute the Supplier's irrevocable commitment to meet the time schedule and delivery date(s) set therein.
- 5.2 The time schedule and delivery date(s) specified in the Purchase Order are of the essence and may be changed only by written agreement signed by both Parties.
- 5.3 Early deliveries shall not be accepted by the Buyer unless otherwise agreed by prior written notice. In any case, the Supplier shall not be entitled to any bonuses or extra payments for any early delivery.
- 5.4 The Supplier shall promptly inform the Buyer in writing of the full details of any events which may delay the execution of the Purchase Order, to the satisfaction

of the Buyer. The Supplier shall not be entitled to any extensions of the delivery time and schedule and shall make all reasonable efforts to minimize any delays in the delivery schedule as well as the consequences of such delays. Except in case of Force Majeure (as defined herein below), the Buyer shall have the right to cancel the Purchase Order and any accompanying documents constituting the agreement between the Parties, without having to indemnify or compensate the Supplier, and without prejudice to the Buyer's right to claim for any damages, losses, expenses or costs arising from such delay.

6. CHANGES AND SUBSTITUTIONS

- 6.1 The Buyer shall have the right to make any changes to any of the outstanding Purchase Orders in accordance with this Section 6.1. No such change or amendment shall in any way prejudice or invalidate the Purchase Order. The Supplier shall promptly inform the Buyer of any price and/or schedule alterations needed due to the changes implemented by the Buyer, and such alterations shall be agreed in writing by either an amendment to the Purchase Order or a new Purchase Order signed by the both Parties.
- 6.2 No changes or substitution of Goods or delivery of non-conforming Goods by Supplier shall be permitted, unless it was made in accordance with the QA Requirements and agreed in writing by Buyer in advance.

7. PERFORMANCE, INSPECTION AND REFUSAL OF GOODS

- 7.1 The Supplier agrees that during the time of performance of the Purchase Order, the Buyer shall have the right to access the Supplier's premises to monitor the Buyer's compliance with these General Terms and the QA Requirements, to supervise the manufacturing process, to give special instructions, to control and/or test the ordered Goods, using Supplier's plant control and testing facilities. Conditions and modalities of such inspections shall be agreed by the Parties in advance. Such inspection shall not prejudice the Supplier's liabilities towards the Buyer.
- 7.2 The Buyer shall have the right to refuse Goods that do not strictly comply with the relevant Purchase Order or the applicable specifications or requirements. Non-acceptance of Goods shall promptly be notified to Supplier by fax or e-mail. Supplier shall at its sole expense and risk collect from the Buyer's premises and/or from the agreed delivery place, any and all unaccepted delivered Goods within ten (10) working days from date of receipt of the Buyer's notice of non-acceptance. If the unaccepted Goods are not collected, within the ten (10) day period, the Buyer shall return the Goods to the Supplier premises, at the Supplier's expense. The Supplier shall replace at the Buyer's request Goods which are not in accordance with the Purchase Order or Buyer's

specifications as specified herein above.

7.3 Prior payment shall not constitute Buyer's acceptance of the Goods. The acceptance of any item shall not relieve Supplier from any obligations, representations or warranties hereunder or pursuant to any other agreement between the parties, Purchase Order and/or Buyer specifications or requirements.

7.4 Buyer shall owe no obligation to inspect the Goods. Non-refusal or lack of non-acceptance notice by the Buyer of the Goods does not in any way limit the Supplier's warranties as per Section 12 below. Lack of notice of shortage in quantity does not in any way limit the Supplier's obligations and liabilities for shortage in quantity of the Goods delivered to Buyer.

8. OVER-SHIPMENTS

8.1 Buyer shall pay only for the ordered quantities, as specified in the Purchase Order. If the ordered quantities were subject to unauthorized change in accordance with the provisions of Section 6.2 above, then any such applicable additional shipment costs shall be included in the original shipment price as specified in the original Purchase Order. Over-shipments shall be held at the Supplier's sole risk and expense for a period of time not exceeding ten (10) days from the date of delivery. After such period of time has elapsed without the Supplier collecting the surplus Goods or sending instructions for shipment at the Supplier's expense, the Buyer shall return the surplus Goods exceeding the ordered quantities to the Supplier at the Supplier's sole risk and expenses and risk.

8.2 The Supplier agrees that the Buyer, at its sole discretion, may elect to purchase any or part of such over-shipments according to the terms of the applicable Purchase Order, and subject to these General Terms.

9. IMPORT LICENSE

9.1 The Supplier shall be solely responsible for obtaining any and all necessary and/or required permits, licenses, approvals and/or authorizations, including but not limited to import license, as may be required and/or necessary by or from any authority, state or institution. It is specifically agreed and stipulated that the Supplier's inability to obtain any such permits or approvals shall not be regarded as, and shall not amount to, any force majeure.

10. TRANSFER OF TITLE AND TRANSFER OF RISK

10.1 Unless otherwise agreed in writing by the Parties, transfer of title shall take place upon arrival of the Goods at the Buyer's premises or the destination otherwise agreed, and subject to the Buyer's approval of acceptance of the goods. Any reservation of title or property right clauses arising from any Supplier document or any other agreement shall be deemed null and void.

10.2 Transfer of risk shall take place according to the

INCOTERMS 2020 (as may be amended from time to time) provisions applicable to each sale and purchase of the Goods. If no INCOTERMS 2020 provision is applicable or if it is not specified, transfer of risk shall follow transfer of title.

11. PROPERTY FURNISHED TO SUPPLIER

11.1 Unless otherwise agreed in writing, all patterns, dies, tools, models, jigs, core boxes, drawings, and any other property or material furnished to the Supplier by the Buyer, or specifically paid for by the Buyer for use in performance of these General Terms or a Purchase Order, (i) shall be and remain the property of the Buyer, (ii) shall be subject to disposition according to the Buyer's instructions, and (iii) shall be used only in connection with the performance of orders from the Buyer, its subsidiaries and affiliates, and shall not be disposed or disclosed to others as specified in Section 13.

12. WARRANTIES

12.1 Unless otherwise agreed in writing by the Parties, the Supplier shall warrant for a period of thirty six (36) months from the transfer of the ownership under Section 10.1 ("Warranty Period"), that the Goods supplied (i) comply with all the specifications, blueprints, drawings and data reported by the Supplier (in any format) or provided by the Buyer and accepted by the Supplier and/or jointly agreed by the Parties in writing, as well as with all the requirements and conditions written in the Purchase Order, (ii) are of good workmanship and free from any design, material, manufacturing or operating defect, (iii) are of merchantable quality. It is understood and agreed that Supplier is responsible for supply of all parts and components required for a complete operation of the Goods, even if not expressly mentioned by Buyer in the Purchase Order.

12.2 During the Warranty Period, the Buyer shall notify Supplier in writing of any defect or malfunction of the Goods and the Supplier shall without any delay and at its expense replace or correct such defect or malfunction. Upon any replacement, repair or correction made by Supplier, the Supplier Warranty Period shall be renewed and shall commence from the day of successful and satisfactory completion of such replacement, repair or correction.

12.3 If the Supplier does not satisfactorily replace or repair the Goods or correct the defect or malfunction, to the satisfaction of the Buyer, the Buyer shall have the right, at Buyer's exclusive discretion, to (i) make the replacement, repair or correction itself at Supplier's sole cost and expense, or (ii) have such replacement, repair or correction made by a third party at Supplier's sole cost and expense, or (iii) obtain from Supplier total reimbursement of the purchase price paid for the defective or malfunctioning Goods.

12.4 Supplier shall comply with all laws and regulations regarding environmental protection and work on reducing the adverse effects of its activities on

human beings and the environment, including without limitations ISO 14001 and any other regulations applicable to provision of the Goods to Buyer pursuant to any Purchase Order.

- 12.5 Supplier shall comply, and ensure that all Supplier's employees comply with all laws and regulations regarding workplace safety, including without limitations OHSAS 18000 and any other regulations applicable to the Goods and their supply to Buyer.
- 12.6 Supplier and Buyer will actively implement high standards of business conduct and ethical principles in their day-to-day operations. Supplier hereby acknowledges Buyer's group compliance policies including without limitation: (i) the IMC Compass: Good Business Conduct and Ethics Code, (ii) IMC's Policy on Conflict Minerals, and (iii) IMC's Policy on Modern Slavery and Human Trafficking. Supplier acknowledges that these policies may be updated, supplemented and amended from time to time, and published on IMC's website: www.imc-companies.com. Supplier undertakes to apply the same principles and to completely refrain from any actions that may constitute a criminal offence, corrupt practice, modern enslavement, servitude, human trafficking, child labor or other actions that breach the ethical values contained therein. Supplier will cooperate with Buyer and Buyer's shareholders on any investigation that is initiated on these topics, including required audit activities. The Supplier undertakes and warrants that any and all sourcing and/or procurement and/or utilization and/or trade in any raw materials, minerals, substances and other components as may be required in the manufacturing process of the Goods and/or as may be contained within the composition of the Goods and/or any parts or accompanying equipment thereof, shall be at all times sourced, procured, utilized and/or traded in full compliance with the relevant common international trade standards, laws, regulations, directives, recommendations and decisions, applicable in the Buyer's place of business and/or to the Buyer's global industry and/or to the Parties' global supply-chain. The Supplier undertakes to fully co-operate with the Buyer and to provide the Buyer, at the Buyer's first request, any such information and/or data and/or documents and/or confirmations and/or updates as may be necessary to evidence the Supplier's strict compliance with any and all such relevant international standards, laws, regulations, directives, recommendations and decisions. Further, the Supplier warrants and undertakes to periodically investigate, ensure and cause its own respective suppliers and representatives to ensure any such operations or actions are conducted in strict compliance with the same relevant international standards, laws, regulations, directives, recommendations and decisions. The Supplier agrees that the Warranties specified herein shall be in addition to any warranties implied by law or expressly granted by the Supplier other than as specified herein and in addition to any

other warranties, regardless of whether express or implied, as applicable to the relevant purchase. The Warranties shall continue in full force and effect and shall survive any inspection or test, regardless of any acceptance and/or payments by the Buyer, as well as any termination and/or expiration of Purchase Orders or of agreements related to Purchase Orders.

13. CONFIDENTIALITY

- 13.1 The Supplier undertakes to use the data, knowhow and information (hereinafter: the "Confidential Information") received from and/or disclosed by the Buyer within the framework of their engagement exclusively for the performance of the Purchase Orders. The Supplier agrees and undertakes (i) to keep the Confidential Information absolutely and strictly secret, (ii) to transmit the Confidential Information to third parties only subject to the Buyer's prior written permission to the extent required for the purpose of the performance of the Purchase Order, and (iii) to otherwise keep the Confidential Information strictly confidential. The Supplier undertakes that it shall obligate third parties to safeguard the Confidential Information in a manner consistent with the Supplier's obligations hereunder and to impose the same obligations undertaken by it on their employees to whom same Confidential Information shall be disclosed.
- 13.2 Confidential Information shall include all information received by the Supplier from the Buyer, including but not limited to trade secrets, know-how, drawings, techniques, computer programs in human or machine readable code, business and marketing plans and projections, arrangements and agreements with third parties, customer information including names of suppliers and customers, formulae, stock-lists, prices, discounts, terms and conditions of any transactions, production and working methods, passwords, ideas, whether reduced to a material form or otherwise, designs, plans, processes and models of any kind and other items furnished or disclosed to the Supplier by the Buyer. Without derogating from the aforementioned, Confidential Information shall also include any data, drawing, design, equipment or other material or information which is (i) provided by the Buyer or (ii) provided by the Supplier but paid for by the Buyer and shall be at all times and for all purposes considered the sole exclusive proprietary Confidential Information of the Buyer. Notwithstanding the foregoing, Confidential Information shall not include information which the Supplier may demonstrate that:
- 13.2.1 Was known to the Supplier as evidenced by its written records prior to receipt of such information from Buyer.
- 13.2.2 Was in the public domain through no fault of the Supplier
- 13.2.3 Was disclosed in good faith to the Supplier by third party who has a right to make such disclosures, and such disclosures to the

Supplier by the third party is without restriction as to its use by the Supplier.

- 13.3 Any advertising and/or oral and/or written communication to third parties in connection with the Purchase Order any and all of its details as well as the contemplated business relationship between the Parties shall always be subject to the Buyer's prior written approval.

14. INTELLECTUAL PROPERTY

- 14.1 The Supplier guarantees, warrants and undertakes that the Goods and/or any part and/or component thereof do not infringe any patent, license, industrial patent right, copyright, mask work right or any other industrial and/or intellectual property right or interest of any third party. The Supplier guarantees that it has full right to use, produce, manufacture, market and sell the Goods and that following the performance of the Purchase Order the Buyer shall have full right and title to the Goods, and shall be fully entitled to utilize, manufacture, improve, use, sell, market, and resell any and all of the Goods, as well as any parts and/or components thereof.
- 14.2 The Supplier agrees to hold the Buyer, its directors, officers, employees, agents, dealers, distributors, customers or the users of Goods harmless against any claim or action for infringement of a third party industrial or intellectual property right. The Supplier undertakes to reimburse the Buyer with all costs, expenses or other payments incurred by the Buyer or by any person or entity on its behalf, in connection with the defense or any action required in connection with such demand, suit, claim and/or action, including reasonable attorney fees and expenses, and to fully and completely indemnify the Buyer for any damage, loss, expense and/or prejudice suffered by the Buyer as a direct or indirect consequence of such demand, suit, claim and/or action.
- 14.3 Title to any and all Goods and other deliverables under any Purchase Order which were developed and/or prepared by Supplier in course of provision of the Goods and/or for the benefit of Buyer and/or which were based on information, specifications or other details provided to the Supplier by Buyer, shall be solely and exclusively vested with the Buyer, and Supplier hereby irrevocably and unconditionally assigns such title to Buyer. To the extent that the Goods include any work of authorship created by or on behalf of Supplier, it shall be deemed "work made for hire". To the extent that any portion of the Goods does not qualify as "works made for hire," Supplier hereby grants to Buyer a royalty free and/or paid-up, complete, unrestricted and irrevocable license to such portion of the Goods.
- 14.4 Without derogating the above, Supplier hereby grants the Buyer a royalty free and/or paid-up, complete, unrestricted and irrevocable license for any work of authorship fixed in any tangible medium of expression (including, without limitation, drawings, prints, manuals and specifications) furnished hereunder.

15. INDEPENDENT CONTRACTOR

- 15.1 The Supplier and the Buyer agree and acknowledge that the Supplier is an independent contractor. The Supplier acknowledges that it is not and shall not be entitled to act as a legal agent of the Buyer, at any time and for any purpose whatsoever, and the Supplier undertakes that it does not and shall not have the power to, nor shall it attempt to, enter into any contracts on behalf of the Buyer, nor to make any representations on behalf of Buyer. Upon the occurrence of a violation and/or breach of the undertaking above, the Supplier shall indemnify and hold Buyer harmless from and against any demand, suit, claim, action or liability in connection with any act, representation, omission or breach by the Supplier.
- 15.2 For the avoidance of doubt, nothing in these General Terms and/or the Purchase Order and/or any other accompanying transaction documents shall be construed to constitute or imply an employer-employee relationship between the Parties, nor shall it ever be deemed to subsist between Buyer and the Supplier (or between anyone executing any work on the Parties' behalf), for any purpose whatsoever.

16. TERM AND TERMINATION

- 16.1 These General Terms shall have an indefinite duration. The Buyer may terminate, cancel, revoke, amend, modify and/ or update these General Terms at its sole discretion and for any reason and purpose whatsoever, with prior written notice to the Supplier.
- 16.2 The Buyer shall have the right to immediately terminate, cancel and/or revoke any and all Purchase Orders, as well as any parts or components thereof, without compensation or penalty to the Supplier, at the following events: (i) the Supplier fails to acknowledge and confirm the Purchase Order; (ii) the Supplier fails to deliver the Goods and/or perform any and all services, to the satisfaction of the Buyer, within the time schedule set in the Purchase Order, and such delay persists for more than one (1) week, without the prior written approval of the Buyer; (iii) the Supplier fails to comply with the warranty obligations as described herein, in the Purchase Order and accompanying documents, and as may be express or implied according to the applicable legal rules, regulations, and international trade standards; (iv) the Supplier unreasonably withholds its consent to any Purchase Order changes as requested by the Buyer in accordance with Section 6 above; (v) the Supplier is in breach of any of its obligations arising from these General Terms or from the agreement between the parties, and such breach is not cured within ten (10) days from the Buyer's written notice; (vi) a proceeding under insolvency, bankruptcy or similar laws has been initiated against the Supplier for whatever reason; or (vii) an occurrence that constitutes a circumstance of Force Majeure according to Section 18.
- 16.3 Upon receipt of the Buyer's Purchase Order termination letter the Supplier shall immediately stop

the manufacturing activities and shall make any reasonable efforts and arrangements to minimize any costs.

- 16.4 Any and all disputes in connection with the termination of Purchase Order, shall be amicably negotiated and settled by the mutual agreement of the Parties, taking into account the time of termination, the work already carried out, the costs and expenses already sustained by either of the Parties under the terminated Purchase Order, as well as the possibility to sell the Goods to other customers.

17. LIABILITY AND INSURANCE

- 17.1 The Supplier shall be solely and exclusively responsible and liable towards the Buyer and towards any third party for any physical injury, property damage or any other damage, loss, liability or prejudice arising from performance by the Supplier or the Supplier's employees, agents, distributors and/or subcontractors, of the Supplier's obligations under the Purchase Order or these General Terms.
- 17.2 The Supplier shall take out and make all necessary arrangements to purchase adequate insurance policies to cover any liability that might arise in connection with the Purchase Order, and hereby agrees to indemnify and hold the Buyer harmless against any such damage, cost, expense and/or liability.
- 17.3 The Supplier will procure the above-mentioned insurance policies solely at its own expense, commencing from the date of the Purchase Order and/or date of signing of any purchase agreement. The Supplier acknowledges and undertakes that the insurance will remain in full force and effect for sixty (60) days after the performance of the Purchase Order.
- 17.4 The insurance policies, their content and scope of coverage, shall strictly conform to the Buyer's standard instructions to suppliers, and shall be considered an integral part of the agreement between the Parties and of these General Terms.

18. FORCE MAJEURE

- 18.1 Neither party shall be liable for delay in the performance of any of its obligations hereunder if such delay is caused due to events beyond its control, and after it performed everything within its power in order to prevent such delay, including but not limited to: strike, riot, war, civil commotion, fire, flood, act of God, or any other similar or different contingency which goes beyond the reasonable control of such Party. The obligations of the Party whose ability to perform was affected by a force majeure (hereinafter: the "Prevented Party") shall be suspended as long as the said force majeure shall continue to exist. Unless terminated and/or expired in accordance with this section 18 or otherwise, the Prevented Party shall resume activity immediately after such force majeure ceases to exist.

18.2 The Prevented Party shall provide to the other Party (hereinafter: the "Innocent Party"), as soon as possible after any incident which amounts to force majeure pursuant hereto, a notice in writing to the effect that it is unable, by reason of force majeure (the nature of which shall be specified in the notice), to perform certain obligations pursuant to these General Terms.

- 18.3 Upon the occurrence of a force majeure event which prevents or delays the performance of the Prevented Party, the obligations of the Innocent Party shall also be suspended for the entire period during which the Prevented Party remains prevented from action as a consequence of the aforementioned force majeure event.
- 18.4 Upon the occurrence of a force majeure event the Prevented Party shall do its utmost and make all necessary arrangements to mitigate, reduce the effect and/or completely terminate the results of such force majeure event, with an aim to resume the performance of the Prevented Party obligations.
- 18.5 If a force majeure event continues for a period of time longer than one (1) month, the Innocent Party at its sole discretion shall have the right to terminate the Purchase Order and/or the agreement between the Parties, by prior written notice to the Prevented Party. For the avoidance of doubt, such termination by an Innocent Party shall become immediately effective upon the dispatch of the termination notice. Upon such termination, a detailed calculation including without limitation: (i) an equitable apportionment of the services rendered, (ii) the equipment delivered, (iii) the work carried out, (iv) costs and expenditures made or committed, (v) proper damages suffered and liabilities incurred, shall be prepared by each of the Parties and shall form the basis for an equitable and amicable termination settlement.

19. APPLICABLE LAW AND JURISDICTION

- 19.1 The applicable legal jurisdiction, laws and regulations in connection with the Purchase Order and/or the agreement between the Parties and/or these General Terms, shall be determined in accordance with the laws applicable in the jurisdiction of the Buyer's place of business, excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

20. ARBITRATION

- 20.1 The Parties shall attempt to amicably settle any dispute that may arise between them with respect to any matter concerning the validity, breach, interpretation or performance of these General Terms and matters thereto related. Failing to reach such amicable settlement, the matter shall be finally settled by arbitration. Unless otherwise agreed by the Parties in advance, the arbitration shall be conducted in the English language, within the country in which the relevant Buyer subsidiary is established, before a single arbitrator in accordance with the Rules of Arbitration of the International Chambers of Commerce ("Rules" and "ICC" respectively), which

Rules are deemed to be incorporated by reference into this clause.

20.2 The arbitrator shall be such person as the Parties agree to within twenty one (21) days of a demand for arbitration. This section 20 shall be regarded as an independent agreement between the Parties, and each of them hereby submits and consents to the non-exclusive jurisdiction as specified herein exclusive of any other remedy allowed by law or equity.

21. GENERAL

21.1 Severance. In the event that any provision or any sections and sub-sections thereof contained in these General Terms are held unenforceable, the remaining provisions, sections and subsections shall nevertheless continue in full force and effect.

21.2 Observance of laws and regulations. The Supplier acknowledges and warrants that it is aware of, and shall in all respects abide by, the applicable trade standards, laws, decrees, decisions and regulations issued by any local or other authorities, and any rules or regulations issued by private or public organizations relating to its activity within the framework of the implementation of these General Terms, the Purchase Order and/or any accompanying documents. The Supplier shall bear all the financial and/or administrative consequences, costs and payments incurred by the Buyer and shall indemnify the Buyer for any and all damages, losses and expenses occurring in connection with a failure by the Supplier or its employees, subcontractors, distributors, suppliers and/or representatives, to comply with the laws, decrees, regulations, decisions, trade standards or other applicable obligations.

21.3 Waiver. The lack of notice or demand by the Buyer requiring strict performance by the Supplier, in connection with any of the provisions herein, shall not be construed as a waiver or in any way constituted to diminish the Buyer's right thereafter to make any demands include a demand for strict compliance herewith or with any other provisions, nor shall such omission by the Buyer to adhere strict compliance with all or any specific provision of any agreement concluded with the Supplier be deemed to, or be construed as, derogation from any of the Buyer's rights and remedies under these General Terms, any accompanying documents, the agreement by the Parties, and/or by any applicable laws, regulations and decisions. For the avoidance of doubt, any and all waivers whatsoever shall be effective and enforceable subject to the prior written agreement of the authorized legal representatives of both Parties.

21.4 Subcontracting. The Supplier shall not, without the Buyer's prior written consent, subordinate or subcontract directly or indirectly at any level any aspect or activities required in connection with the performance of the Purchase Order, or any part thereof. For the avoidance of doubt the Supplier acknowledges and agrees that it shall indemnify and hold the Buyer harmless against any and all claims of the Supplier's respective contractors and/or suppliers. Assignment. The Supplier shall not assign or subcontract its obligations under this General Terms and Conditions of Purchase in whole or in part, to a third party without the prior written approval of the Buyer. The Supplier shall furnish to the Buyer a written list of the subcontractors that the Supplier proposes to employ before employing such subcontractors.

21.5 Assignment. The Supplier shall not assign or subcontract its obligations under this General Terms in whole or in part, to a third party without the prior written approval of the Buyer. The Supplier shall furnish to the Buyer a written list of the subcontractors that the Supplier proposes to employ before employing such subcontractors.

21.6 Entire Agreement. These General Terms shall constitute the entire understanding between the Parties.

21.7 No modification, renewal, extension or waiver of these General Terms, or any provisions herein, shall be binding without the prior written agreement which signed by both parties.

21.8 No remedy herein provided shall be deemed exclusive of or in prejudice of any other remedy allowed by law or equity.

INTRODUCTION

Buyer is obliged to excellence in its operations and continued improvement to meet the strict requirements of Buyer's customers.

In this context, Buyer views its suppliers as partners to achieve such goals, and as such, expects its suppliers to adopt and comply with Buyer's policies and requirements aimed to achieve the highest level of quality.

Buyer requires the Supplier's commitment to "zero defects", by applying the following procedures:

- Documented Quality Assurance protocols in accordance with customary international quality standards;
- Prior approval by Buyer of production processes, and strict compliance therewith;
- Continuous development of product and production process;
- Timely delivery of documentation conforming compliance with the provisions set forth herein;
- Adequate risk management;
- Extension of the provision set forth herein to its sub-tier suppliers to ensure quality throughout the supply chain.

These "General QA Requirements" are supplemental to Buyer's General Terms of Purchase, and define the requirements of Buyer from Supplier with the aim of ensuring adequate levels of quality, conformity and proper management of risks by Supplier.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the General Terms of Purchase or in the relevant international quality standards.

Supplier's Quality System

Supplier is requested to be compliant to the AS9100 or ISO 9000 international quality standard. Buyer encourages its suppliers to seek a third-party accreditation.

Supplier's quality systems shall be formally documented, implemented and maintained to ensure Supplier's Goods conform to the identified purchase specifications, engineering or material specifications and/or contract requirements. The Supplier's quality documentation shall be made available to Buyer upon request.

Contract Review

When receiving a Purchase Order, the Supplier shall verify that all the requirements, including delivery time, price, terms of payment as well as the quality requirements, are clear and applicable. In case of any questions, or if any clarifications or modifications are required, Supplier shall approach Buyer promptly in writing.

All agreements (e.g., Purchase Order, Purchase Order supplements / amendments) and instructions must be in writing and approved by Buyer. Verbal agreements and instructions or the lack of response to any request shall not be construed as approval or authorization.

Key Characteristics

When drawing, specification, and/or Purchase Order include "key characteristic" requirements, the Supplier

shall utilize Variation Management to ensure key characteristic integrity.

The Supplier shall develop control plans for applicable key characteristics and shall have a Cpk goal of 1.33 or better.

No Counterfeit Parts

Supplier must at all times adhere to the requirements regarding Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material.

If Supplier is the seller of raw materials/components, it shall insure that only new and authentic materials/components are used for each Purchase Order.

If Supplier is a distributor of the Goods, it may only purchase materials/components directly from their original manufacturers or an authorized distributor.

Use of material that was not provided in accordance with the provisions set forth herein is strictly prohibited unless first approved by Buyer in writing.

The Supplier must present compelling support for its request and include in its request all actions to ensure the Goods are authentic and compliant, including all applicable traceability.

Special Processes

Supplier and all its sub-tier suppliers in the supply chain shall be approved for the following special processes, to the extent relevant ("Special Process"):

- Chemical Processing
- Coatings
- Heat Treating
- Materials Testing Laboratories
- Nonconventional Machining and Surface Enhancement
- Nondestructive Testing
- Welding

When performing Special Processes in connection with the Goods, the Supplier and its sub-tier suppliers shall act pursuant to the following requirements:

- Supplier shall verify production according to the relevant regulatory requirements and applicable international standards.
- Supplier shall define, validate and qualify all Special Processes carried out for Buyer are in compliance with Buyer's requirements.
- Supplier shall document and store all control data records of Special Process (process parameters) for a period of at least 15 years.
- Supplier shall document training and qualification of personnel operating Special Process. Training and qualification shall be based on theoretical and actual knowledge that is related to the Special Process.
- Supplier shall document and maintain the calibration results of all the control facilities of the Special Processes for a period of at least 15 years.
- Approval of items - Supplier shall maintain a defined process for approving items undergoing Special Process before shipment.
- Items supplied will be identified and traceable to Special Processes.
- Supplier shall notify Buyer of any changes made

in Special Processes (e.g. raw material, Standard Operating Procedures, equipment, etc.), and will validate that the changes do not affect the quality of the Goods.

- All changes and validation will be documented and stored.
- Supplier shall present upon request a systematic validation process defined in its procedures, for all Special Processes carried out for Buyer.

Inspection

All characteristics shall be inspected when appropriate, either during production or at final inspection, ensuring full compliance at time of delivery with all relevant requirements of the Purchase Order. Sampling plan used for final inspection shall be of C=0 with AQL 2.5% or stricter, as determined in Zero Acceptance Number Sampling Plans by Nicholas L. Squeglia.

Non-conformances related to key characteristics are unacceptable.

Upon request, Supplier shall provide a final inspection report with each consignment. The report shall include at least the inspection results of all sampled items regarding key characteristics, sample plan, the measuring instruments or equipment used, and the signature of the authorized person. If Key Characteristics hadn't been defined, the report should include all characteristics and requirements of the Purchase Order (drawing), unless otherwise specified by the Buyer.

The sampled items will be identified and separated within the shipping consignment.

Control of Non-Conforming Goods

Supplier shall maintain a system for the control, segregation, and identification of non-conforming products.

Non-conforming Goods that can be reworked to meet all product requirements within the existing manufacturing process are not required to be submitted to Buyer for disposition. All rework shall have documented work instructions.

Supplier shall ensure that nonconforming Goods/materials are identified and controlled to prevent unintended use or delivery.

Foreign Object Damage (FOD)

Supplier is required to carry out a program for the prevention, detection and removal of foreign objects from the Goods, which may or may not degrade the Good's required safety and/or performance characteristics.

First Article Inspection (FAI)

Supplier will complete a First Piece Inspection for items on the Purchase Order.

The First Article Inspection report must show evidence of acceptance by the Supplier's quality assurance representative.

The first article(s) shall be produced on production

equipment and using processes which will be utilized on production runs.

Records of all first article activity will be documented, treated as quality/acceptance records and made available to Buyer, buyer's customers and regulatory authorities.

Process Control; Change Control (Supplier Changes)

The supplier shall not make any changes to any specified requirements in an approved Purchase Order of Goods, unless Buyer provides in writing official revised documentation.

In addition, specific controls shall be established, defined in writing, maintained and recorded by Supplier for all manufacturing processes of the Goods. During continued manufacturing of the Goods, supplier shall not make any changes to any of the operating or control parameters associated with the processes, including to production processes, suppliers and facilities, without the prior approval of Buyer (and Buyer's customers, where applicable). The approval shall define the necessity of re-processing FAI approval.

Without derogating the above, Supplier shall maintain a change control system to ensure that all changes to drawings, specifications and/or test methods are incorporated as required.

Configuration Control

Each of the Goods delivered under a Purchase Order must be identified with a part number or other identification. All purchased Goods are subject to inspection for compliance with the Purchase Order and all applicable quality requirements.

No material or process substitutions, quantity variations or splits from the Purchase Order may be made without Buyer's prior written authorization.

Information concerning the identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data will be communicated to the Supplier when Supplier quotes the job, on the Purchase Order and/or on the supplementary documents from Buyer.

Identification and Traceability

Supplier must have a lot identification system that distinguishes one lot from another when shipping finished Goods. Each lot of material should be clearly identified on the Goods (where applicable) and/or on the Goods' packaging. All material lots should be traceable to raw or component material lots as identified by the Supplier's sub-tier suppliers.

Tooling, Gauging & Test Equipment:

Supplier shall maintain suitable tools, gauges and test equipment for fabricating, measuring and testing for conformance. Supplier shall maintain a system for periodic inspection & calibration of the test equipment traceable to the National Institute of Standard Technology (NIST).

Supplier must also have a positive recall system in place as well as a positive action taken for equipment received out of tolerance that could compromise the quality of the finished Goods.

Supplier Personnel

Supplier shall ensure that each individual engaged by Supplier to perform any work is:

- Competent and eligible to perform his assigned work; and
- Aware of his contribution to product safety; and
- Aware of the importance of his ethical behavior.

Supplier shall ensure that each individual performing final inspection has an eye examination performed by a medically qualified individual annually and that, if correction is required, each individual uses the required corrective lenses when performing the inspections.

Supplier/Sub-Tier Flow Down

Supplier is required to communicate all information and requirements related to the Goods to any of its suppliers involved in manufacturing of the Goods.

Product/Service Responsibility

Zero defects are expected from Buyer's suppliers. Supplier is fully responsible for the quality of the Goods, including by their sub-tier suppliers. Supplier and its sub-tier suppliers are jointly and severally responsible that the quality of the Goods meet all Buyer's requirements, specifications and drawings as identified in the Purchase Order.

Material Safety Data Sheets (MSDS)

Supplier shall provide an up to date MSDS with the Goods, if applicable. If data is not immediately available, Supplier shall forward MSDS data form to Buyer promptly, but in any event not later than within 10 days from receipt of a Purchase Order.

Record Retention

Supplier and its sub-tier suppliers shall establish and maintain records to provide evidence of conformity to requirements. Records shall remain legible, readily identifiable and retrievable. Product history records shall be maintained for a minimum of 15 years or as otherwise required by the Purchase Order.

Customer Property

Supplier shall return all documents, records, gaging, stamps, or other Buyer's supplied property upon written notification from Buyer or when business with the Buyer has ceased.

Code of Conduct

In order to conduct business with Buyer, Supplier is required to always comply with all applicable laws and regulations and to adhere to Buyer's ethical standards as detailed in Buyer's General Terms of Purchase and as may be amended from time to time.