

**GENERAL PURCHASING CONDITIONS**  
**SAFRAN GROUP COMPANIES IN BELGIUM**

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**SAFRAN GROUP**  
**GENERAL PURCHASING CONDITIONS**

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**THE PURPOSE OF THESE GENERAL PURCHASING CONDITIONS IS TO DEFINE THE TERMS AND CONDITIONS FOR PLACING AND PERFORMING ORDERS FOR PRODUCTS AND/OR SERVICES INTENDED TO SAFRAN GROUP COMPANIES IN BELGIUM. HOWEVER, THESE GENERAL PURCHASING CONDITIONS DO NOT APPLY NEITHER TO AERONAUTICAL PRODUCTS AND/OR SERVICES NOR INTELLECTUAL SERVICES ORDERS.**

## **1 - DEFINITIONS**

**Acceptance report** : Document issued by the Purchaser, signed by both Parties, confirming the acceptance of the Supply.

**Declaration of conformity** : Document given by the Supplier, under its own responsibility, declaring the conformity of the Supply with respect to all applicable standards and other regulations in force.

**Documentation** : Any document issued or provided by the Supplier, such as but not limited to, handbook, plan, description, model or instruction necessary for the achievement, installation, use, operation, and maintenance of the Supply by the Purchaser.

**Final Client** : Client of the Purchaser, purchaser of a product and/or service incorporating the Supply.

**Entrusted Property** : Elements entrusted by the Purchaser to the Supplier and placed under the control and responsibility of the latter, including any procurements as well as tooling manufactured by the Supplier, on behalf and at the cost of the Purchaser, with a view to the performance of the Order.

**General Purchasing Conditions** : These general purchasing conditions.

**Industrial Equipment** : Any machine, installation, device or equipment used for the study, manufacture, test or the control of products designed and/or manufactured by the Purchaser.

**Official Authorities** : Any national or international organization with the authority (including by delegation of a public authority) to monitor the performance of the Supply ordered, in particular certification organizations for products or services or business audit organizations.

**Order** : Document, regardless of the form, issued by the Purchaser and sent to the Supplier, concerning the purchase or the lease of a Supply and including, in particular, the designation of the Supply ordered, its price as well as the reference to these General Purchasing Conditions.

**Party(ies)** : The Purchaser and/or the Supplier.

**Purchaser** : Belgian Safran Group Company issuing the Order.

**Results** : Refers to all elements of any nature whatsoever, regardless of their medium or form, including processes, data, software, moulds, tooling, equipment, sets of documents, plans, technical sheets, drawings, models, prototypes, sets of trials, or any other element whether or not it gives rise to intellectual and/ industrial property rights, and which is produced or developed for the Purchaser based on the plans and/or diagrams and/or any other specifications of the Purchaser in the course of the performance of the Order. Any Results are part of the Supply.

**Specifications** : Any document setting out the requirements that the Supplier or the Supply shall comply with, the Purchaser's needs and the performance conditions of the Supply, including the statement of work description, applicable standards and quality requirements.

**Supplier** : Natural person or legal entity to whom the Order is sent.

**Supply** : Products (including software and Industrial Equipment) and/or services (including Works), which are the subject of the Order.

**Works** : Real estate works, equipment, major maintenance or renovation work.

## **2 - CONTRACTUAL DOCUMENTS**

**2.1** The purpose of these General Purchasing Conditions is to set forth the contractual relationship between the Supplier and the Purchaser within the framework of the Supply Orders. They may be completed, clarified, or amended by special terms and conditions within the framework of a document negotiated and signed by the Supplier and the Purchaser. They may also be completed by Specifications.

The relationship between the Purchaser and the Supplier related to the Supply is governed by the following contractual documents, listed in order of decreasing priority :

- The Order ;
- If applicable, the contract or the special terms and conditions of purchase ; The General Purchasing Conditions.
- The Specifications

It is however understood that the Order must be performed in accordance with the provisions of the agreements concluded between the Parties, unless otherwise agreed in writing.

In the event of contradiction between two documents with a different ranking, the document with the higher ranking shall prevail.

**2.2** The Order shall be deemed to have been accepted by the Supplier upon occurrence of the first of the following two events :

- Receipt by the Purchaser of acknowledgement of receipt of the Order signed by the Supplier, without modifications, within fifteen (15) calendar days starting from the date on which the Order was issued ;
- The beginning of the performance of the Order by the Supplier, without its written reserve on the contractual documents within the period above.

By accepting the Order, including by the beginning of performance of the Order, the Supplier accepts the contractual documents without any reservation. These contractual documents constitute the entire agreement between the Parties.

Any other conditions that would complete or modify the contractual documents shall not be enforceable to the Parties without their prior express agreement in writing.

## **3 - ORDERING PROCEDURE**

**3.1** The Supplier undertakes to perform the Orders issued by each Purchaser in accordance with the provisions of the contractual documents, state of the art rules, regulations and standards in force. The Supplier has an obligation of result ("*obligation de résultat*" within the meaning of the French Law).

**3.2** The Supplier is solely and fully responsible for determining the resources required to perform the Order. The Supplier shall, in particular, ensure to obtain all necessary elements and information to perform the Order. It is deemed that the Supplier obtained all necessary elements and information to carry out the Order before its implementation. Moreover, the Supplier shall promptly inform the Purchaser of any existing difficulties or anomalies that may also occur during the implementation of the Order.

**3.3** The Supplier has an obligation to inform and advise the Purchaser. In addition, the Supplier will inform the Purchaser without delay in writing of any situation concerning it that may jeopardise the satisfactory performance of the Order, in particular it shall inform the Purchaser if its business becomes the subject of bankruptcy proceedings (insolvency, receivership or liquidation subject to court supervision), or any equivalent situation, such as the winding-up or total or partial transfer of its business activity, or any modification of its organizational structure that might have an impact on the satisfactory performance of the Order..

When authorizations, whatever their natures, are required in the framework of an Order, the Supplier, before the completion of the Order, shall ensure to obtain all the necessary authorizations to make effective the Order and avoid any waivers of such authorizations, so that the Purchaser is free from any actions or proceedings.

**3.4** The Supplier's quality system shall meet the quality requirements applicable to the suppliers as stated in the procedures or any other documents released to the Supplier by the Purchaser.

Throughout the duration of the Supply performance, and upon prior notice, the Supplier undertakes to grant the Purchaser and the representatives of any relevant Official Authorities free access, during business hours, to its premises and to any document for the monitoring purpose. The Supplier shall obtain the same right from any of its subcontractors.

**3.5** The Supplier and the Purchaser may exchange electronic data for the performance of the Order ; the applicable conditions to these exchanges are provided in Appendix 2.

**3.6** For Supply Orders that the completion spreads in time, the Supplier undertakes to keep the Purchaser up-to-date on a regular basis with the progress of the Order. The Order may specify the conditions relating to the provision of such information.

**3.7** When the Supply is related to Works, the Supplier remains in charge of the management and accountability of the site, in which its management shall be in good standing under the applicable regulations and standards (including unified technical documents and technical advice). Within this framework it shall provide site supervision and take adequate protective measures for the materials and equipment, which it has custody or ownership against theft or damage of any sort.

**3.8** When the Supply is related to Industrial Equipment, the Supplier undertakes to ensure at no additional charge, to train operators, machine programmers and maintenance specialists, the Purchaser's personnel, so that they could autonomously and optimally use and ensure the maintenance of this Industrial Equipment. This training shall be completed at the latest at the time of provisional acceptance of the Supply.

## **4 - DELIVERY**

**4.1** Any delivery of Supply shall be accompanied by a delivery slip affixed to the outer packaging, with a copy of the said delivery slip inside the package, containing the following information :

- Identification number of the delivery slip ;

- Order number and item number of the Order ;
- Reference of the Supply ;
- Description of the Supply as specified in the Order ;
- Declaration of Conformity, where applicable ;
- Quantity delivered and, where applicable, the serial number and the individual number of products/parts ;
- If necessary, the number of packages ;
- Unit of purchase ;
- Number of the possible dispensation(s) ;
- If necessary, a customs document and a transport document in compliance with applicable regulations, as well as any other documents required for customs clearance operations within the framework of imports.

**4.2** The delivery or availability of the Documentation and the documents required by applicable regulations and standards is an integral part of the Supply.

**4.3** The Purchaser reserves the right to refuse and send back or make available, at the cost and risk of the Supplier, any Supply that would not have been subject to an Order or a modification accepted by the Purchaser.

**4.4** Unless otherwise provided in the Order, the delivery of the Supply shall be DAP “address of the Purchaser” (Incoterms 2010 - International Chamber of Commerce). Notwithstanding the foregoing, when the Supply is subject to an acceptance procedure, the transfer of the risks of the Supply takes place on the signature date of the Acceptance report by the Supplier and the Purchaser.

**4.5** Packaging shall be carried out in compliance with the contractual documents, regulations and standards in force. It shall include, if necessary, instructions and provide sufficient protection to ensure that the Supply undergoes no deterioration during transport and/or storage. Any damaged Supply upon delivery shall be returned to the Supplier and the transport, repair, assembly, and trial costs, if any, shall be borne by the Supplier.

**4.6** When the Supply is related to Industrial Equipment, the delivery shall be subject to an agreement with the Purchaser at least seventy-two (72) business hours before the equipment is dispatched. Furthermore, the Supplier is responsible for unloading, handling operations, installation, assembly and making the Equipment operational at the Purchaser’s site, in accordance with the provisions stated in the contractual documents. In case, for these on-site operations, the Supplier were to ask the Purchaser to provide tooling or an intervention by the Purchaser which was not specified in the Order, the Purchaser reserves the right to invoice the Supplier, given that the Supplier shall use this tooling at its own risk and under its sole responsibility.

## **5 - DEADLINES**

**5.1** Time is of the essence of the contractual documents. The deadlines agreed between the Parties are mandatory and respecting these deadlines constitutes an essential condition without which the Purchaser would not have contracted.

**5.2** The Supplier shall promptly inform in writing the Purchaser of any foreseeable delay compared to the contractual deadlines, and of any measures taken to remedy of such delay. Except for force majeure events, the Supplier shall bear any additional expenses resulting from this delay.

**5.3** In the event of failure to meet contractual deadlines, the Purchaser reserves the right :

- to apply, unless otherwise agreed by the Parties in a signed document, automatically, and without prior notice, late penalties equivalent to 0.5% of the pre-tax price of the relevant Order per calendar day's delay, these penalties being capped at 15% of the pre-tax amount of the Order and/or
- to terminate the Order under the terms and conditions referred to in Article 23, "Termination" below, without any indemnity being due to the Supplier.

These penalties do not discharge the Supplier from its obligations and cannot be considered as a final, lump-sum compensation for the damage incurred by the Purchaser. The Purchaser shall notify the amount of late penalties by written document. The Supplier agrees that the Purchaser may deduct, after a period of fifteen (15) calendar days following the notification, the late payment penalties from the amount due to the Supplier in relation to the late Order, if within this delay the Supplier has not disputed in writing the facts of the grievance or has not already paid to the Purchaser the amount claimed.

**5.4** In the event of early delivery or excess quantity, the Purchaser reserves the right either (i) to accept the Supply, or (ii) to make the Supply available to the Supplier at the Supplier's own risk, or (iii) to return the Supply at the Supplier's own cost and risk.

## **6 - ACCEPTANCE**

**6.1** The contractual documents may provide an acceptance procedure for the Supply, possibly in several phases: preliminary acceptance, provisional acceptance and final acceptance. The Purchaser reserves the right to refuse the Supply when the related Documentation is incomplete or is non-compliant with the contractual documents provisions.

Preliminary acceptance : when the contractual documents provide for preliminary acceptance of the Supply at the Supplier's premises, the latter shall transmit to the Purchaser a copy of the acceptance trial reports describing the inspection operations carried out, the devices used for this purpose and the results obtained, as well as, when applicable, a copy of the report by the authorised control organization, fifteen (15) calendar days before the date fixed for preliminary acceptance. After satisfactory preliminary acceptance, the Purchaser shall issue a preliminary Acceptance report and shall notify its agreement for the dispatching and delivery of the Supply to its premises.

Provisional acceptance : after installation, assembly, putting into service and sets of trial on the Supply at the Purchaser's premises, there shall proceed provisional acceptance of the Supply in the conditions specified by the contractual documents. The provisional Acceptance report corresponds to the operational use of the Supply. Its signature implies the transfer of risks and the transfer of ownership to the Purchaser.

Final acceptance : it is pronounced after the lifting of any possible reservations and the satisfactory verification of the Supply operation during the specified period in the contractual documents. It gives rise to the signature of final Acceptance.

Lastly, in the specific case where the Supply is related to Works, and in the case that the Purchaser takes partial possession of piece of work before the completion of the Works, on an exceptional basis, a partial acceptance of the Works completed may be arranged prior to this taking of possession, at the site of the works to occupy.

**6.2** No acceptance can be considered as tacitly pronounced. Unless otherwise agreed between the Parties, the acceptance or the verification of the conformity of the Supply shall be made within thirty (30) days of delivery.

The issuing of an Acceptance report shall in no event be interpreted as a waiver of any sort, or affect the extent of the warranty or other commitments made by the Supplier hereunder or any legal warranty.



**6.3** The Final Client may participate, carry out or validate the acceptance procedure. In this case, the acceptance pronounced by the Purchaser only becomes final following acceptance by the Final Client.

**6.4** In case of non-conforming Supply to the contractual documents, the Purchaser shall inform the Supplier to allow the latter to inspect the non-conformity as quickly as possible. When the Supplier does neither inspect nor does dispute the non-conforming Supply, the Purchaser reserves the right, at its option :

- To accept the non-conforming Supply, in exchange notably for a price discount ;
- To accept it after corrective work at the Supplier's expense, carried out either by the Supplier itself or by the Purchaser (or by a third party appointed by the Purchaser) ;
- To refuse it, making it available to the Supplier for removal at its own expense and risk within fifteen (15) calendar days of the date of notification of non-conformity by the Purchaser ;
- To refuse it and return it to the Supplier, at its own expense and risk, within five (5) calendar days of notification of non-conformity by the Purchaser.

The non-conforming Supply refused by the Purchaser shall be deemed undelivered and shall give rise to the application of the penalties provided in article 5 "Deadlines" above, without prejudice to the Purchaser's right to seek damages for the harm suffered owing to the non-compliance at issue, and/or to cancel the Order.

## **7 - TRANSFER OF OWNERSHIP**

The transfer of ownership to the Purchaser takes place, notwithstanding any reservation of title clause contained in the Supplier's documents :

- upon delivery at the Purchaser's site with respect to the products or parts elements of the services,
- or, at the signature of the Acceptance report if acceptance is specified in the contractual documents,
- with regard to the Results and/or Works, as and when they are produced.

## **8 - ENTRUSTED PROPERTY**

Entrusted Property is to be reserved exclusively to the performance of the Purchaser's Orders and is deemed to be lent in application of articles 1875 et seq. of the Belgian Civil code.

Entrusted Property remains the property of the Purchaser, of the person who entrusted it to the Purchaser or of the Final Client. It shall be identified as such and stored in such a way as to avoid any confusion with the property of the Supplier or any other third party. Any modification or destruction of the Entrusted Property shall be subject to prior written agreement by the Purchaser.

The Supplier undertakes to send the Purchaser, in December of each year, an inventory of the Entrusted Property which have been placed at its disposal or financed by the Purchaser. When the inventory is not transmitted to the Purchaser as stated above, the Purchaser may carry out the inventory itself at the expense of the Supplier.

The Supplier undertakes to return the Entrusted Property compliant and in a good condition, upon the Purchaser's first request. At the time that the Entrusted Property is returned to the Purchaser, the Purchaser and the Supplier shall carry out a joint inventory.



The Supplier shall monitor the Entrusted Property and take all adequate measures for protection against theft or damage of any sort. In the event of any direct or indirect interference by anyone to the Entrusted Property, the Supplier shall promptly inform in writing the Purchaser, take all the necessary measures to defend the rights of the owner of the Entrusted Property and ensure that the interference ceases. Should the Supplier have a lien ("*droit de rétention*") granted by law on the Entrusted Property, it shall expressly surrender such lien ("*droit de rétention*") of the Entrusted Property.

## **9 - PRICE – INVOICING – PAYMENT TERMS**

**9.1** Unless otherwise agreed by the Parties in a signed document, the prices stated in the Order are firm and non revisable, and include all taxes except VAT. These prices include all the costs and expenses incurred by the Supplier for the performance of the Supply, including the assignment of potential Results and related economic rights ("*droits patrimoniaux*") as well as expenses to travel to the Purchaser's sites.

**9.2** The Supplier undertakes to invoice the Supply in accordance with the contractual documents and, in any case, not before the delivery of the products, and not before the performance of the services. When an invoicing schedule is mentioned in an Order, the Supplier shall comply.

Invoices shall be drawn by the Supplier in accordance with applicable regulations and include, in addition to legal notices, the following elements :

- The Order number ;
- The item number in the Order ;
- The date and number of the delivery slip or the performance report ;
- The Supplier's code, as provided by the Purchaser ;
- A detailed description of the Supply as described in the Order.

**9.3** In the event that the Purchaser grants the Supplier advances or down payments on the amount of the Order, payment thereof shall be covered by a first demand guarantee drawn up in accordance with the model in Appendix 1 or by any other guarantee agreed between the Parties.

With respect to Works, the payment shall be made on schedule mentioned in the Order and/or, according to the agreement of the Parties, on monthly statement of Works established from the price schedule (estimate or contract), according to the percentage of completion of Works. Payment on monthly statement of Work is only applicable on the basis of a schedule agreed between the Parties after which the balance is paid following final statement.

Down payments are only granted to the extent that (i) the Works in question require a high level of procurements, and (ii) these down payments do not exceed an amount corresponding to 20% of the pre-tax price of the Works.

Any final payment is only made by the Purchaser once the Supplier has handed over the technical Documentation, the checkings ("*des plans de récolements*"), the maintenance instructions and the Declaration of conformity.

**9.4** The deadline for payment of invoice shall be stated in the Order. In case of absence of provision in the Order, payment shall be made ninety (90) days, end of the months, following issuance of the invoice.

In the event of late payment, late penalties shall be due starting from the day after the deadline for payment specified on the invoice, without any reminder being necessary. In this case, the interest rate for penalties shall be equal to the legal interest rates set forth in the law dated August 2<sup>nd</sup>, 2002 related to late payment issues in commercial transactions.

## **10 - WARRANTY- MAINTENANCE**

**10.1** The Supplier warrants that the products, subject of the Supply, shall be free from defects in design, in manufacturing or in operating defects as well as against any defects in materials and parts comprising an assembly. The Supplier warrants the proper performance of the services, subject to the Supply, in accordance with the contractual documents.

Unless otherwise specified in the Order, the duration of the warranty is two (2) years from the date of the delivery of the Supply, or if an acceptance procedure is provided, the date of the issuance of the final Acceptance report of the Supply. It shall cover, at the Purchaser's option, (i) any refurbishment or replacement of the product parts or service correction or (ii) reimbursement of the product or service. The warranty covers parts, labour, transport and travel. It also includes the cost of disassembly, handling, customs duties and reassembly of parts, and for the Works, the cost of destruction or re-performance the Works. This warranty clause is without prejudice to compensation for any damage sustained by the Purchaser.

**10.2** Unless otherwise specified in the Order, replacements or reimbursement of the Supply under the warranty provided in this article shall be performed within a maximum period of forty-five (45) days following the written notice of the defect sent by the Purchaser. When a Supply includes several subsets, the Supplier shall correct at its own expense any anomaly and damage that may be sustained by such defect or malfunction in the other subsets of the said Supply.

**10.3** Any product replaced or repaired or any service corrected shall be guaranteed, under the same conditions as above, until the end of the warranty period and in any case during a period of six (6) months from the time of the repair/correction. In the event the Supplier does not perform its warranty duties, the Purchaser reserves the right to perform or have a third party perform the necessary work at the Supplier's expense.

**10.4** When the Supply is related to Industrial Equipment :

During the warranty period, the Supplier undertakes to send a technician free of charge within two (2) days and ensures that the equipment is operational again within five (5) business days from notification of the Supply failure by the Purchaser to the Supplier. In the event of delays in implementing the warranty, the Purchaser may apply automatically and without prior notification, a penalty of 0.2% of the Supply's price concerned by the failure per late business day. This penalty shall be capped at 15% of the total amount without VAT of the said Supply.

**10.5** When the Supply is related to Works :

The date of issuance of the Acceptance report is the starting point of the legal warranties, including but not limited to the perfect completion of the works warranty ("*la garantie de parfait achèvement des ouvrages*"), the works and incorporated equipment decennial warranty ("*la garantie décennale pour les ouvrages et équipements incorporés*"), and the proper operating order of the equipment not incorporated to the building warranty ("*la garantie de bon fonctionnement des équipements non incorporés au bâtiment*").

**10.6** When the Supply is related to Industrial Equipment, the following provisions shall apply :

The Supplier shall propose to the Purchaser, at the latest at the time of the Industrial Equipment delivery, a contract defining the maintenance conditions for the Industrial Equipment at the end of the warranty period. This maintenance contract shall provide, in particular: (i) the regularity and type of verifications carried out during preventive maintenance visits by the Supplier, (ii) the breakdown response times for which delays will be sanctioned by a penalty corresponding to 0.1% of the purchase's price of the Supply with the breakdown per late business day, being specified that this penalties shall be capped at 15% of the total amount without VAT of the maintenance contract, (iii) the price of the maintenance and the conditions for annual revision of this price, (iv) the prices and delivery times for spare parts, (v) the Supplier's guarantee with respect to the maintenance services, (vi) the period of time during which the Supplier undertakes to provide the maintenance services and the supply of spare parts, this period shall not being less than five (5) years starting from the date on which the maintenance contract takes effect.

## **11 - LONG-TERM OUTLOOK**

The Supplier shall inform the Purchaser at least twelve (12) months in advance of any production stoppage or withdrawal from its catalogue of the Supply.

When a Supply involves Industrial Equipment, the Supplier shall be able, for a minimum period of ten (10) years starting from the date of the final Acceptance report, to supply all spare parts, components and other necessary elements for the use of the Supply.

For the Supply Order whose implementation spreads over time, the Supplier undertakes to implement a business continuity plan designed to identify measures to be taken to keep running the performance of the Order upon the occurrence of an event likely to prevent its performance.

## **12 - INDUSTRIAL AND INTELLECTUAL PROPERTY**

**12.1** The Purchaser may, for all countries, freely use, grant licenses, operate or transfer the Results that it has become the owner of in compliance with the provisions of article 7 "Transfer of Ownership". It is specified that for Results that could be subject to a copyright protection (in particular software), the economic rights ("*droits patrimoniaux*") transferred to the Purchaser by the Supplier include the performance, reproduction, translation, adaptation, modification, marketing, use, retention, and duplication rights and more generally all operating rights for any purpose during the legal protection period of economic rights ("*droits patrimoniaux*"). The Purchaser may therefore make use of these Results, as owner, in the most extensive way using all supports and for all purposes.

The Supplier undertakes not to use the Results for any purpose other than the performance of the Order. At the request of the Supplier, the Purchaser may, at its option and under conditions to be defined, grant to the Supplier a non exclusive and non transferable right to use the Results.

**12.2** The Supplier grants the Purchaser, for the legal duration of the patent right and/or copyright and for all the countries in the world, a non exclusive, irrevocable and transferable right to use and/or operate, free of charge, with the right to sub-license, patents, software and processes or techniques developed independently of the Order and of which it is the holder, author or licensee and which are necessary for the use or operation of the Supply. If the Supplier transfers its rights to the said patents, software and processes or techniques developed independently of the Order to a third party, it must obtain an undertaking from this third party that it will grant the Purchaser the same rights as those provided for in this Article.

**12.3** The Supplier guarantees that it is the holder or has been granted of the intellectual and/or industrial property rights to the Results transferred and, as such, shall hold harmless the Purchaser against all claims from third parties in relation to these rights.

In addition, it guarantees that it holds all the rights transferred to the Purchaser in application of article 12.2 of these General Purchasing Conditions with a view to enabling the latter to use and operate the Supply.

The Supplier shall hold harmless the Purchaser against all the consequences of intellectual and/or industrial property claims from third parties which may be filed against the Purchaser in relation to the use or operation of the Supply and the Results. The Supplier undertakes to take charge of the Purchaser's defence and of all consequences, including costs, expenses and fines, which may result for the Purchaser. However, the guarantee will be excluded when the third party's claim for infringement is based on the use of the Supply or of Results in combination with another product without the agreement of the Supplier or on any use thereof which does not comply with the Documentation and the contractual documents.

**12.4** Furthermore, at the option of the Purchaser, the Supplier shall, at its own cost, and without prejudice to the Purchaser's right to seek reparation for any loss incurred, either (i) obtain the right to continue using the Supply, or (ii) replace or modify it in order to put an end to the infringement of the third party rights referred to above, while ensuring the functions provided by the contractual documents or (iii) reimburse the Supply.

### **13 - LIABILITY – INSURANCE**

**13.1** The Supplier is liable for any damage or loss sustained by the Purchaser or any third party as a result of non-performance or improper performance of the Order. Consequently, the Supplier shall indemnify the Purchaser for any loss or damage sustained by the latter, including the cost of repair and/or replacement that would result from any damage or loss to Entrusted Property. Any assistance the Purchaser may give to the Supplier, for the performance of the Supply or the controls the Purchaser may organize, shall not in any way exempt the Supplier from its liability as regards to the Supply.

**13.2** The Supplier undertakes to take out and maintain in effect the necessary insurance policies up to an amount commensurate with the risks and liabilities incumbent upon it under ordinary law provisions and its contractual commitments. In this respect, the Supplier shall provide proof, at the Purchaser's first request, of the validity of the insurance policies it has taken out by producing certificates issued by its insurers, indicating the type and amount of guarantees granted. Moreover, the Supplier shall produce proof that it has paid its premiums and shall provide annual certificates confirming the renewal of its policies for the following period, for as long as its contractual obligations remain in force. In the case of insufficient coverage, the Purchaser shall have the right to require that the Supplier take out additional coverage at its own expense.

It is further stated that when the Entrusted Property by the Purchaser to the Supplier is located at the Supplier's premises, the latter undertakes to take out on behalf of the Purchaser a comprehensive risk insurance policy ("*assurance tous risques*") covering any damage to the Entrusted Property by the latter, whatever the cause of damage. The Purchaser will be named as an additional insured party in this policy that will come into effect at the first euro. Any insurance of the Purchaser shall only be a complement to the guarantee of the insurance policy taken out by the Supplier.

Neither the presentation of insurance certificates by the Supplier nor the content of the insurance policies taken out shall limit the Supplier's liability vis-à-vis the Purchaser.

## **14 - COMPLIANCE WITH LABOUR REGULATIONS**

The Supplier guarantees that it complies with the labour legislation to which it is subject. It also guarantees that the Supply shall be performed in compliance with the labour laws in force in the countries in which the Supply is performed.

## **15 - COMPLIANCE OF THE SUPPLY WITH REGULATIONS AND STANDARDS**

Through the performance of the Order, the Supplier guarantees to the Purchaser the compliance of the Supply with the regulations and standards in force in the country where the product or service, subject of the Supply, is delivered or rendered to the Purchaser and in any other country where the Supplier has been informed that the Supply will be used.

For this purpose, the Supplier shall hand over upon delivery or undertake to hand over at first demand by the Purchaser, the certificates required by the applicable regulations and relating to the Supply.

In addition, the Supplier shall :

- implement all necessary measures for the establishment of its supply systems of the following minerals:
  - tantalum,
  - tin,
  - tungsten,
  - gold,so as to ensure that they originate from conflict free sources, and
- provide, when asked, information regarding said supply systems on a platform determined by the Final Customer.

Irrespective of the place in which the Supply is produced or rendered (in Belgium or abroad), the Supplier also guarantees to the Purchaser that the Supply will comply with applicable legal provisions and regulations to quality requirements and standards, including health, hygiene, safety, traceability of products and protection of the environment.

The Supplier undertakes to release to the Purchaser upon the delivery of the Supply all information it has to enable the safe use of the Supply.

The Supplier undertakes to inform the Purchaser of any modification of applicable legal provisions and regulations and standards, which affect the conditions in which the Supply is delivered or performed.

## **16 - SUPPLY'S PERFORMANCE AT THE PURCHASER'S SITE**

When the Supply is performed in full or in part at one of the Purchaser's sites, the Supplier undertakes to respect the following provisions :

The Supplier will forward in advance a list with the names of the members of its personnel susceptible of accessing the Purchaser's site, the Purchaser reserving the right to refuse any person access to its site for security reasons. The Supplier will take the necessary measures to ensure that if any persons have to be replaced. This will not have a negative impact on the performance and the quality of the Supplies.

The Supplier shall respect and ensure that its personnel and any subcontractor respect the rules to access to the site, security requirements, including in relation to information technology (IT), confidentiality rules, as well as the provisions of the Internal Rules of Conduct which apply to all persons within one of the Purchaser's establishment as employees of an external company, including hygiene and safety rules and general working conditions.

The Supplier shall, in particular, comply with the provisions relating to hygiene and safety set forth in the Well being at work Code.

When necessary, the Purchaser will make available to the Supplier premises that will be allocated to it to enable it to intervene without disrupting the organization of the Purchaser's company. The Supplier will be able to place its equipment there, including in particular computer equipment (PCs, workstations, office furniture, etc.) necessary for the performance of the Supplies that are subject of the Order. The disposal of the premises will end once the Order has been performed, or if the Supplier's presence in the Purchaser's premises is no longer justified. The Supplier will retain full and entire ownership and custody of equipment, software and software programs belonging to it that it has occasion to use and/or store at the Purchaser's site.

The Purchaser may also:

- provide the IT services strictly necessary for performance of the Order in accordance with procedures and modalities that it will define on a case by case basis in order to preserve the security of its IT systems;
- provide access to its internal messaging system and to a directory for the exchange of data with the Supplier, in accordance with the conditions defined in Appendix 2.

When the Supplier is authorised to access the Purchaser's information system, this authorisation is strictly limited only to performing the Order. The Supplier shall, in all events, respect the Safran Group's Information System Utilization and Security Charter and all other instructions provided.

Should the Supplier's personnel be present on the Purchaser's site, the Supplier shall appoint a project manager having hierarchical and disciplinary authority over its personnel.

Each member of the Supplier's personnel present at the Purchaser's site must, on request, state their name, the manager of their mission, and the name and contact details of the Supplier's project manager.

At the end of the completion of the Supply at the Purchaser's site, the Supplier's personnel must:

- return to the Purchaser's security manager the badges and other means of access that had been given to them,
- where applicable, return to the department concerned the words, codes and keys used to access the hardware and software allocated to it,
- and more generally, return all information, documents and other items which were supplied to it for the performance of the Order.

## **17 - SUPPLIER'S PERSONNEL**

The Supplier is solely responsible for the administrative, accounting and labour management and supervision of its personnel assigned to the performance of Orders.

The Supplier will expressly retain hierarchical and disciplinary authority over its employees, including during the time when they are present at the Purchaser's site.



The Supplier alone is responsible for the definition of the profile and the appointment of the members of its personnel that it assigns to the performance of the Order. It certifies that throughout the performance of the Order, the members of its personnel assigned to the task will be competent, qualified and sufficient in number to ensure that the Supply is in conformity with the contractual documents.

## **18 - CONFIDENTIALITY**

**18.1** Supplier shall keep confidential all information received from the Purchaser in connection with any Order, as well as all information the Supplier might have access as a result of its presence at the Purchaser's premises or another Safran Group Company, without the Purchaser having to specify or mark such information as confidential ("Confidential Information"). The Results shall be regarded and treated as Confidential Information belonging to the Purchaser.

**18.2** Confidential Information shall remain the property of the Purchaser, subject to the rights of third parties. The disclosure of Confidential Information by the Purchaser shall in no event be interpreted as granting to or conferring upon the Supplier, expressly or implicitly, granting on the Supplier any right whatsoever (under a licence or by any other means) in respect to this Confidential Information.

**18.3** The Supplier undertakes to :

- use Confidential Information exclusively for the purposes contemplated in the Order ;
- disclose Confidential Information only to those of its employees for whom it may be strictly necessary for the purposes contemplated in the Order and then only a "need to know" basis ;
- not disclose Confidential Information or make it available, either in full or in part, to any third party without the prior written consent of the Purchaser ;
- ensure that the confidentiality obligations incumbent upon it under the present article "Confidentiality" are complied with by its employees and other persons authorised by the Purchaser to access Confidential Information.

**18.4** Nevertheless, the confidentiality obligations shall not apply to any information which :

- is already in, or it had entered the public domain prior to its disclosure or after it, otherwise than through the fault of the Supplier ;
- is already known or available to the Supplier at the date of receipt of Confidential Information, as evidenced by written records of the Supplier ;
- is lawfully obtained by the Supplier from third parties, with full rights of disclosure, as evidenced by written records of the Supplier.

**18.5** Should the Supplier be required to disclose Confidential Information of the Purchaser, pursuant to a mandatory or a judicial or administrative decision, the Supplier shall immediately inform the Purchaser of such request. In addition, the Supplier shall cooperate with the latter for the purposes of limiting the disclosure and use of Confidential Information as far as possible.

**18.6** In the event of termination of the Order for whatever reason, the Supplier undertakes to return Confidential Information immediately to the Purchaser and/or to destroy any support containing in whole or in part of Confidential Information. The Supplier shall provide a statement certifying the aforementioned complete return or destruction. The return or destruction of Confidential Information shall not release the Receiving Party from its confidentiality obligations under this article.

**18.7** Any and all classified Confidential Information disclosed by the Purchaser shall be identified as such at the time of its disclosure. The disclosure, protection and use of classified



Confidential Information shall be in accordance with the security procedures issued by the authorities concerned.

**18.8** The Supplier undertakes not to use the Order and/or to the Supply and/or any other information in connection with its business with the Safran Group for the purpose of direct or indirect advertising without the prior written agreement of the Purchaser.

**18.9** Unless otherwise provided in the Order, the confidentiality obligations provided in this article shall remain in full force and effect throughout the Order performance and for a period of ten (10) years from the end of the warranty period of the Supply, it being specified, however, that with regards to results that are the subject of intellectual and/or industrial property rights, the obligation to maintain confidentiality will remain in force throughout the entire duration of performance of the Order and throughout the entire legal duration of protection relating to intellectual and/or industrial property right.

**18.10** If Confidential Information that is the property of a third party is to be communicated to the Supplier, any more restrictive confidentiality requirements that may be imposed by this third party will be passed on to the Supplier.

**18.11** In order to ensure the security of the Purchaser's Confidential Information and the media containing it, the Supplier will take all necessary precautions to ensure its protection, in particular by using computer access controls and encryption of the Confidential Information.

**18.12** Should the Supplier disclose information that it owns to the Purchaser, which would be marked or identified as being confidential, the Purchaser undertakes to comply with the same obligations.

## **19 - OFFSET**

If, throughout the performance of the Order, the Supplier uses products or services from countries with which the Purchaser has, directly or indirectly, contracted offset obligations, the Supplier shall, at the Purchaser request, use its best efforts to ensure that the value of its Orders can be taken into account by the competent offset authorities within the framework of the Purchaser's obligations mentioned above.

## **20 - FORCE MAJEURE**

Each Party shall inform the other Party immediately, with confirmation by written notice, no later than five (5) calendar days after the occurrence of force majeure preventing it from performing its obligations under the contractual documents.

The obligations whose performance is rendered impossible by the occurrence of an event of force majeure shall be suspended for the duration of this event.

The Party invoking force majeure undertakes to take every measure possible to limit the prejudicial consequences of this event for the other Party.

For the application of this clause, only an event meeting simultaneously all the conditions described hereinafter shall be considered an event of force majeure :

- a) This event must be unavoidable, unforeseeable and totally independent of the will of the Parties.
- b) Subsequent to this event, the Party invoking the event of force majeure was unable to perform its obligations in accordance with the contractual documents.

The Supplier shall not be able to invoke delays on the part of its own suppliers or subcontractors unless the cause for these delays may be considered an event of force majeure under this clause.

## **21 - TRANSFER – ASSIGNMENT – SUBCONTRACTING**

**21.1** The Supplier undertakes not to transfer or assign all or part of the Order or the related rights and obligations to any third party without the prior written consent of the Purchaser, including in the event of merger or split-up. However, the Supplier may assign to third party debt held by the Purchaser.

The Purchaser reserves the right to transfer or assign to any Safran Group Company, all or part of the Order or the related rights and obligations, subject to prior written notice thereof sent to the Supplier.

**21.2** The Supplier undertakes not to subcontract all of the Order. Moreover, the Supplier undertakes not to subcontract part of the Order to a third party in any way without the prior written agreement of the Purchaser. When the Supplier is authorised to subcontract, it undertakes to pass on the obligations contained in the contractual documents to its subcontractors. The Purchaser may, if necessary, approve in writing the subcontractor's payment terms at the request of the Supplier. Notwithstanding the approval of the Purchaser to the Supplier's subcontracting of the performance of the Order, or to the choice of the subcontractor and its payment terms, the Supplier shall remain solely liable to the Purchaser for the performance of the Supply subcontracted. No default of its subcontractors shall exclude or limit the Supplier's liability.

## **22 - EXPORT CONTROL**

**22.1** The Parties agree to comply with export control laws and regulations that are applicable to the Supply (including its components), as well as to the software, information and products that the Parties may exchange within the framework of the performance of an Order.

**22.2** Each Party undertakes to inform the other Party of the export control classification concerning the elements hereinabove, and undertakes to notify it of any changes to – or any plans to change – this classification no later than fifteen (15) days after receiving notice of said change.

**22.3** In the event that the export or re-export of all or part of the Supply is subject to obtaining an export license, the Supplier undertakes to apply to the competent government authorities, at no cost to the Purchaser, for any license or governmental authorization necessary to enable the Purchaser to use the Supply and to deliver such to customers or to any other end user specified by the Purchaser to the Supplier. The Supplier undertakes to immediately notify the Purchaser of the issuance of the export license by the competent government authorities or of the existence of a dispensation, and to provide it with a copy of said license or a certificate describing in particular any restrictions applicable to the re-export or re-transfer by the Purchaser of all or part of the Supply to a third party. It is specified that notice by the Supplier to the Purchaser of the classification of all or part of the Supply and the issuance of the export license described hereinabove constitute conditions prerequisite to the Order coming into force.

**22.4** The Supplier undertakes to implement all necessary security measures to prevent the transfer, by any means whatsoever, of information provided by the Purchaser and identified as being subject to applicable laws and regulations on export control to any person not authorized to access such information, by dispensation or by an export license granted by the competent government authorities.

**22.5** Should the export licence be withdrawn, not renewed or invalidated for reasons attributable to the Supplier, the Purchaser reserves the right to automatically terminate the Order, without prejudice to its right to claim compensation for the damage sustained by this breach.

**22.6** Should it fail to meet its export control obligations, the Supplier will be bound to compensate for any damage caused to the Purchaser and its customers in connection with the performance of the Order or the use or operation of all or part of the Supply. Furthermore, the Supplier undertakes to take charge of the defence of the Purchaser and/or its customers in the event of any action or legal proceedings taken by competent authorities relating to export control as well as all consequences, including fees, expenses and damages that may be incurred by them.

## **23 - TERMINATION**

**23.1** Either Party shall be entitled to terminate the Order as of right by registered letter with acknowledgement of receipt in the following cases :

- When the other Party fails to perform any of its contractual obligations and does not cure such breach within thirty (30) days from receipt of formal notice thereof sent by registered letter with acknowledgement of receipt ;
- When the other Party becomes the subject of judicial protection, receivership or liquidation, subject to public policy provisions ;
- When there is a force majeure event the duration of which exceeds one month from the date on which one of the Parties informs the other Party thereof.

**23.2** In addition, the Purchaser may terminate the Order as of right by registered letter with acknowledgement of receipt in the following cases :

1. With immediate effect when the Supplier fails to comply with any of its obligations set forth in articles 14 (“Compliance with Labour Regulations”), 22 (“Export control”) and/or 24 (“Ethics”) of these General Purchasing Conditions and more generally in case of any breach by the Supplier of any of its contractual obligations which cannot be remedied ;
2. Subject to a thirty (30) days’ written notice when one of the Purchaser’s competitors or a competitor of any other Safran Group Company acquires a stake in the Supplier’s capital ;
3. Subject to a thirty (30) days’ written notice, in the event of a major change in the social and/or industrial organisation of the Supplier that could jeopardise the proper performance of the Order.

**23.3** In the event of termination of the Order by the Purchaser for reasons attributable to the Supplier, Except to the provisions of article 23.2.2 (capital investment), the Purchaser reserves the right to perform or have a third party perform all or part of the Order at the expense of the Supplier. In this respect, the Supplier undertakes, at the request of the Purchaser, to provide to the latter or to any third party designated by itself all the elements necessary to perform the Supply.

**23.4** Upon the expiration of the Order, or following its termination for any reason whatsoever, the Supplier shall return, within eight days and at its cost, to the Purchaser the Entrusted Property and any Documentation which has not yet been provided.

**23.5** In all the cases of termination referred to hereinabove, each Party shall still be required to comply with all its contractual obligations until the effective date of termination, without prejudice to any damage that the non-defaulting Party may be able to claim as compensation for the

damage incurred as a result of the non-performance by the defaulting Party of the obligations set forth in the contractual documents.

## **24 - ETHICS**

The Supplier solemnly declares that :

- It has not infringed any anti-corruption laws or regulations,
- It has not been subject to any civil or criminal sanctions, in Belgium or abroad, for infringement of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against it,
- To the best of its knowledge, no executive or manager of its company has been subject to any civil or criminal sanctions, in Belgium or abroad, for infringement of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against such persons.

The Supplier warrants that :

- It complies and shall comply with the legal provisions against corruption in accordance with the OECD Convention of 1997 and the United Nations Convention Against Corruption of 2003 (UNCAC),
- It has not granted and shall not grant, directly or indirectly, any gift, present, payment, remuneration or benefit whatsoever (trip, etc.) to anyone with a view to or in exchange for the conclusion of an Order.

The Supplier shall notify the Purchaser's Purchasing Department of any gift, present, payment, remuneration or benefit whatsoever that it might grant either directly or indirectly to any employee, officer or representative of the Purchaser or of any Safran Group Company or to anyone that might influence their decision within the framework of the performance of an Order.

In the event of failure to comply with this clause, the Purchaser shall automatically have the right to terminate the Orders in progress with immediate effect and without compensation, and without prejudice to any remedies the Purchaser may take against the Supplier.

## **25 - MISCELLANEOUS**

The particularly sensitive nature of the Purchaser's business activities may result in specific requirements regarding security. As a result, the Supplier may be required, before the start of the performance of the Order, to sign either a special "sensitive" contract, or one with custody of classified and secret information, or one with access to classified and secret information.

Neither Party's failure to exercise or delay in exercising any of its rights with respect to the contractual documents shall be construed or be deemed a waiver of these rights.

Should any provision of the contractual documents be held to be invalid, the remainder shall continue to be valid and enforceable. The Parties shall then seek to replace this provision with a valid provision in order to maintain the contractual balance.

The Supplier acts in its own name and on its own behalf as an independent entrepreneur. The Supplier has neither the power nor the authorisation to enter into any commitment whatsoever in the name and for the account of the Purchaser. No provision of the contractual documents may be construed as creating an agent/principal, parent/subsidiary or employer/employee relationship between the Supplier and the Purchaser.

## 26 - APPLICABLE LAW – JURISDICTION

By express agreement between the Parties, the contractual documents are governed by Belgian law, excluding the application 1980 United Nations Convention on Contracts for the International Sale of Goods.

**All disputes arising out or in connection with the formation, validity, interpretation, performance, or termination or their follow up, of any of the contractual documents shall be settled under the exclusive jurisdiction of the Commercial Court of Liege (“*Tribunal de Commerce de Liege*”), Belgium, notwithstanding plurality of defendants or introduction of third parties. In the event the Commercial Court of Liege lacks subject-matter jurisdiction, any other Court of Liege shall have the jurisdiction to make the disposition of the matter.**

However, the Parties may by mutual agreement decide to have recourse to mediation, before going to court.

NAME OF THE SUPPLIER :

NAME OF THE SIGNATORY :

TITLE :

DATE :

SIGNATURE :

SUPPLIER STAMP :

## APPENDIX 1 - FIRST DEMAND GUARANTEE

As part of order [N°] (hereafter the “Order”), placed on ...between (name of supplier, address, trade and companies register) and (name of the Purchaser, address, trade and companies register) for (detail of the order) for an amount of ....

The undersigned  
[FIRST RATE BELGIAN BANK  
[FORM]

With a capital of [TO BE COMPLETED] having its registered office at [TO BE COMPLETED], registered at the Trade and Companies Register of [TO BE COMPLETED] under number [TO BE COMPLETED] represented by [TO BE COMPLETED] acting as [TO BE COMPLETED], duly empowered for the purposes hereof  
Hereinafter referred to as the “Guarantor”

Hereby undertakes, irrevocably and unconditionally, on instructions by and on behalf of :

[SUPPLIER]  
[FORM]

With a capital of [TO BE COMPLETED] having its registered office at [TO BE COMPLETED], registered at the Trade and Companies Register of [TO BE COMPLETED] under number [TO BE COMPLETED]

To pay :  
[PURCHASER]  
[FORM]

With a capital of [TO BE COMPLETED] having its registered office at [TO BE COMPLETED], registered at the Trade and Companies Register of [TO BE COMPLETED] under number [TO BE COMPLETED]  
Hereinafter referred to as the “Beneficiary”,

On first demand by the Supplier and immediately any amount up to [TO BE COMPLETED] *in numbers and in letters*) Euro, without being able to claim any exception or objection in particular with respect to any contestation or claim by the [SUPPLIER] in relation to the Order.

This guarantee is independent of any contract between the [SUPPLIER] and the Beneficiary. Consequently, the modification or cessation of the legal links or relations which may exist between the [SUPPLIER] and the Beneficiary does not release the Guarantor from its obligations hereunder. All the provisions of this guarantee shall remain in force irrespective of any changes in the financial and/or legal situation of the [SUPPLIER] or Beneficiary.

This guarantee comes into force on [TO BE COMPLETED] and expires on [TO BE COMPLETED R], unless extended subject to a request submitted by the Beneficiary to the Guarantor.

Any request for an extension must be made directly by the Beneficiary to the Guarantor and must be granted immediately by the Guarantor, subject to proof of prior notification to the [SUPPLIER], and notwithstanding any order to the contrary by the [SUPPLIER]. However, this extension may not exceed a maximum period of ...months.

This guarantee is in addition to and not as a replacement for any other right that the Beneficiary may claim against the [SUPPLIER] and must be executed on first demand by the Beneficiary by means of registered letter with acknowledgement of receipt sent to the address of the Guarantor as indicated at the head of this guarantee, indicating that the (Supplier) has not respected its obligations towards the Beneficiary, and without any intervention by the [SUPPLIER] or any prior procedure or action against the [SUPPLIER] being necessary.

All the costs of this guarantee and any subsequent related deeds shall be borne by the [SUPPLIER].

In the event of any dispute in relation to this guarantee, exclusive competence is attributed to the Commercial Court of Liege. The validity, interpretation and execution of this guarantee are governed by Belgian law

Executed in ....., on.....

Title :  
[BANK]



## APPENDIX 2

The purpose of this Appendix is to fix the conditions in which the Purchaser and the Supplier will carry out electronic data interchange (EDI) by means of networks, within the framework of the execution of the Orders.

### A) Definitions

Electronic data interchange (EDI) : electronic transfer via a network, from one computer to another, of data in the form of an EDI message.

EDI Message : series of structured segments presented in a form that can be unequivocally read by a computer.

Acknowledgement of receipt : message issued by the recipient of an EDI message acknowledging receipt of the message and its legibility.

### B) Nature of the information exchanged

The information which may be exchanged by EDI is defined in the Orders.

Any other information must be exchanged only in paper format unless there is specific, written agreement between the Parties to include it within the field of this Appendix.

### C) Validity and taking into account the EDI content

The exchange of information via EDI is carried out at the time and place that the EDI message is placed at the disposal of the recipient's information system in a complete and legible way.

On receipt of information transmitted by EDI by the recipient's computer, the latter issues an acknowledgement of receipt to the issuer. The recipient is then reputed to have correctly received the information given unless the recipient informs the other Party of a problem in reading or interpreting the data transmitted. Notification of this may be sent by any means.

On no account is the recipient authorised to modify the message received. Any modification must be made by the issuing Party with specific reference to the modification made. Only messages issued by an authorised issuer with the agreed electronic signature are taken into account by the recipient.

### D) Registration and conservation of EDI Messages

The Parties must keep all the EDI messages exchanged, taking all the necessary security measures at their disposal to guarantee their inalterability. In this respect, the Parties undertake to respect a certain number of control procedures such as the conservation of the information sent by EDI in its original form and in chronological order of sending.

The Parties must ensure that the information exchanged by EDI is kept by electronic or computer journals listing all exchanges sent and received and that it is easily accessible. In addition, the Parties must ensure that this information can be reproduced in legible form by man and be printed if necessary in order to constitute, as far as possible, a true and lasting copy of the original

#### E) Admissibility and probative value of the EDI Messages

Each Party agrees that the EDI messages exchanged on the basis of this Appendix and in conformity with the provisions hereunder have a probative value equivalent to that of a document in paper format.

As such, the Parties waive the right to contest the authenticity of the information exchanged or oppose the information on the sole basis that the information was exchanged by EDI.

The Parties undertake to accept that, in the event of a dispute, the registrations made of information exchanged by EDI may be produced before the courts or arbitration panels as proof of the facts that they contain, up until proof to the contrary provided in a non contestable format.

#### F) Security of EDI Messages

The Parties undertake to set up and maintain security measures and procedures to ensure the protection of the EDI messages against risks of unauthorised access, modification, lateness, destruction or loss.

The security procedures and measure include verification of the origin and verification of the integrity. All information exchanged by EDI must identify the sender and the recipient. As such, each of the Parties undertakes to submit to the other party a list of the persons authorised by it to send information by EDI, updating this list each time it is necessary and indicating the applicable electronic signatures.

If the security procedures and measure lead to the rejection of an EDI message or the detection of an error in the message, the recipient must inform the sender of this as soon as possible.

The recipient of an EDI message which has been refused or which contains an error cannot act on the message without authorisation from the sender. When a refused or erroneous message is retransmitted by the sender, the message must clearly indicate that it is a corrected message. In addition, the Parties undertake to set up and maintain the operational environment necessary for EDI operations. As such, the Parties must supply and ensure maintenance for the hardware, software and the services necessary to transmit, receive, translate and conserve EDI messages.

#### G) Confidentiality

The Parties must ensure that the information contained in the EDI messages remains confidential and is not disclosed or retransmitted to any other parties who are not authorised to receive it. They must also ensure that it is not used for any purpose other than the execution of the Orders.