

# Terms and Conditions of Purchase

## 1. Definitions

**Aeronautical Goods** – product or service which directly impacts the quality of the UAC finished product, including customer designated sources.

**Aviation Authorities** - official authority having the jurisdiction to approve the design, manufacture and airworthiness of the Aircraft and/or the Item, e.g. CAA (UK), LBA (Germany), DGAC (Spain), EASA (Europe), FAA (USA) and any other relevant aviation authority.

**Conditions** – terms and conditions of purchase set out in this document

**Confidential information** - any information, including information concerning the party's past, present or future customers, providers, technology or business which has or will come into the possession or knowledge of receiving party in connection with or as a result of entering into the Purchase Order.

**Conflict Minerals** – minerals, as defined by the applicable Conflict Minerals legislation, traded for financing armed groups, fuel forced labor and other human rights abuses and support corruption and money laundering. Tin, tungsten, tantalum and gold, also referred to as 3TG.

**Counterfeit Goods** - an unauthorized copy, imitation, substitute, or modified part (e.g., material, part, component), which is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer.

**Delivery Point** – location identified in the Purchase Order for the delivery of Goods or the provision of Services.

**Delivery Due date** - the due date of delivery of the Item to the Delivery Point, as specified in the Order

**Excusable Delay** - event beyond the reasonable control of either Party and not occasioned by its fault or negligence, including without limitation, an act of God, fire, flood, explosion, earthquake, any act of government, war, insurrection or riot.

**General Data Protection Regulation** or "GDPR" - the European Union regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

**Goods** – all goods, services, documents, data, software and other information or items furnished or to be furnished to the Client under the Purchase Order.

**OEM** – Original Equipment Manufacturer, design holder.

**Purchase Order (PO)** – collectively, the applicable purchase order issued by Client or its Representative to Provider in connection with the Goods and/or Services, these purchase order general conditions and any documents attached to or referenced in a purchase order.

**Client** – individual company which places the Order and is identified on the front of the Purchase Order.

**Parties** – Provider and Client

**Personal Data** - any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

**PQAR (Provider Quality Assurance Requirements)** – UAC document which details requirements applicable to all providers of aeronautical goods

**Provider** – individual company, person or entity to whom the Order is placed and which is identified on the front of the Purchase Order.

**Transit time** – interval needed for a shipment to be delivered once it has been picked up from the point of departure.

NOTE: For the avoidance of doubt, any reference to "days" within this Agreement shall mean calendar days.

## 2. Purpose and scope

The Parties agree that these Conditions are the only terms and conditions upon which the Client will accept Items from the Provider and the Client shall not be bound by any different or additional terms and conditions proposed by the Provider, whether stated on the acknowledgement of the Order, whether communicated by the Provider at the time of accepting the Order, starting work, delivering the Item or included in any other document. Sales conditions of the

Provider which deviate from these Conditions shall not apply, even in case the Client does not expressly disagree to such conditions.

## 3. Order and order acceptance

The Purchase Order is deemed accepted by Provider upon the first of the following occurrences: (a) Provider's commencement of performance of work under the PO; (b) the passage of 3 days following Provider's receipt of the Purchase Order without written notice to Client of rejection from Provider; (c) receipt by the Client of the PO signed by the Provider. The acceptance of the order constitutes acceptance of these terms and conditions of purchase.

The orders for supplies placed by UAC are defined by:

- the signed purchase order;
- the technical documents, specifications, drawings, any other documents, etc. at the latest published issue.

## 4. Related documents precedence

If the Parties have signed additional contractual documents, they shall become an integral part of the Order.

In the event of any conflict between the following documents forming part of the Order, they shall be interpreted in accordance with the following order of precedence:

- (i) Latest issue of applicable technical documents (original design data or UAC technical documents)
- (ii) Purchase Order
- (iii) Contract (if applicable)
- (iv) PQAR - Provider Quality Assurance Requirements
- (v) NDA – Non Disclosure Agreement
- (vi) any other documents.

## 5. Right of access

The Provider shall grant access to the Client's clients and Aviation Authorities to perform inspections, surveillance and tests and to review procedures, practices, processes and documents related to quality assurance, quality control, flight safety and configuration control. The Provider shall provide requested information to such personnel and ensure access to facilities of its providers and subcontractors under the same conditions. Nothing in the PO shall be interpreted to limit Aviation Authorities access to Provider's facilities pursuant to law or regulation.

The Provider shall grant access to an authorised Client representative at the Provider's and Provider's subcontractors' locations during operating hours to inspect, to review and assess progress and performance under the Purchase Order, including, but not limited to, production, schedule, and quality. Any Client representative shall be allowed access to all areas used for the performance of the PO. Client shall perform inspections, surveillance, reviews and tests so as not to unduly delay the work.

## 6. Delivery and acceptance

Provider shall deliver the Goods and/or perform the Services at the Delivery Point in accordance with the Delivery due dates and the requirements in the Purchase Order. Delivery of Goods is understood to include all required associated documentation. Provider acknowledges and agrees that time is of the essence for the delivery or performance under the Purchase Order. The Provider shall inform the Client about any anticipated delays and shall provide mitigation plans in order to minimize impact for the Client. UAC is monitoring the deliveries for Providers of aeronautical goods and expects a performance rate (D2) above 99%.

The provider shall take out suitable insurances while the goods are under their property, in accordance with applicable INCOTERMS, it being understood that any damage claims are not opposable to us. Risk and property shall pass to UAC at the Delivery Point.

### a. Packaging

The Provider shall pack and load the Products in accordance with best commercial practice and as specified in the technical

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documents, or in other instructions provided by the Client. All Products shall be packed in containers which are suitable for protection of the Goods during shipment and storage and shall take into consideration transportation conditions for the entire transit time.

Unless separately stated, charges for preparation, packing, crating, cartage and transport are included in the price.

b. Delivery date

The deadline for delivery is the date listed in the order and shall be complied with, in accordance with the agreed INCOTERMS. Any event that may affect the order shall be notified to UAC, who reserves the right to cancel the order, without prejudice to penalties and compensations due by the provider for any incurred damages. Except in case of Excusable delays, penalties shall be applied to late deliveries of items and mandatory documentation, based on days. The penalty shall be 0.01% of the unit price of each item per day for the first two weeks, 1% per month for the following weeks. The total penalty is limited to 10%.

c. Delivery documents

The Provider shall deliver Goodswith the documentation requested by the Client, in accordance with the Quality Clauses (see section 8b), including commercial documents such as: invoice, delivery pack, both in electronic and hard copy, whenever possible.

If requested by the Client, the Provider shall supply a First Article Inspection report and copies of supporting documentation, in accordance with IAQG standard 9102 and MAA1-10042-2 latest revision – for applicable work packages, for any Items within the Order, prior to or with the first delivery of Items, or upon request by the Client.

The Provider shall deliver relevant inspection or test reports, if requested by the Client.

d. Acceptance of Goods

Notwithstanding any acceptance by Client at Provider's facilities, Goods and Deliverables are subject to final inspection and acceptance by Client upon receipt at the Delivery Point. Final inspection and acceptance by Client does not relieve Provider from any of its obligations under the Purchase Order.

Any payments made prior to the time of delivery shall not constitute acceptance as to quality or quantity. Client reserves the right to reject the whole or any part of any shipment in which goods are found which do not conform to the required quality or quantity.

e. Limited shelf life material

Limited shelf life goods shall be clearly identified with a shelf life expiration date. Goods with a limited shelf life shall be delivered with a minimum of 75% of available shelf life remaining.

## 7. General provider requirements

a. Compliance

Provider shall comply with PQAR – Provider Quality Assurance Requirements, which is available on request.

The Provider shall ensure its compliance and the compliance of all Items with all applicable laws and/or regulations as amended from time to time, including, but not limited to those in connection with: environment, health, security, safety, packaging and labelling; the control, restriction, prohibition, recovery and/or elimination of chemicals and/or hazardous substances; transport; labor; Data Protection.

Should the Provider fail to comply with such laws and/or regulations, the Provider shall indemnify and hold harmless the Client from and against all consequences of such failure.

b. Anti-corruption

The Provider shall comply with all applicable laws relating to anti-corruption or anti-bribery.

c. Environmental, Health and Safety Performance

The Provider acknowledges and accepts full and sole responsibility to maintain an environment, health and safety management system ("EMS") appropriate for its business throughout the performance of the Purchase Order. The Provider shall promote health, safety and protection of the environment, including, without limitation, taking necessary pollution prevention measures, such as the use of environmentally friendly methods and materials in the manufacturing and packaging process. The Provider shall also reduce transportation distances to the extent possible. Provider shall convey the requirement of this clause to its providers.

d. Code of basic working conditions and Human Rights

The Client is committed to providing a safe and secure working environment and the protection and advancement of basic human rights in its operations and has issued a Code of Conduct, which is available to Providers on request.

The Client expects the Provider to conduct their operations in a manner that is fully compliant with all applicable laws and regulations regarding fair wages and treatment, freedom of association, personal privacy, collective bargaining, workplace safety. The Provider shall convey the requirement of this clause to its providers.

e. Data protection

In the event and to the extent that Personal Data is collected from the Client and processed or used by the Provider during and for the performance of the Order, the Provider shall at all times comply with the GDPR, as well as all applicable national Personal Data protection laws and regulations (together referred to as "Data Protection Laws and Regulations") in force during the term of the Order.

f. Counterfeit Goods

Provider shall not deliver Counterfeit Goods to Client, defined as Goods or separately-identifiable items or components of Goods. The provider is expected to implement an appropriate strategy to ensure that Goods furnished to Client under the Purchase Order are not Counterfeit Goods. The Provider bears responsibility for procuring authentic Goods or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this clause.

g. Obsolescence

The Provider shall immediately notify the Client upon the earlier of announcement or becoming aware that any item that is included in the Product will become obsolete and/or discontinued, in order to allow the Client to make a last buy of that item.

h. Conflict minerals

Provider represents and warrants that it and its supply chain are currently in compliance, and it commits that it and its supply chain shall continue to comply, with existing and future applicable law relating to "conflict minerals".

## 8. Quality

a. Quality management system

The Provider shall implement a Quality Management System (ISO 9001 at a minimum). If required by the Client, the QMS shall be certified in accordance with the latest version of a specific standard. The Provider shall ensure that the Order is carried out in compliance with the requirements of its QMS.

b. Quality Clauses

The Client shall request compliance with several Quality Clauses (QC), which are particular to the purchased Goods. The Provider shall comply with the Quality Clauses defined at item level and detailed on the Purchase Order.

c. Quality Control

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The Provider shall establish and maintain a quality control system acceptable to the Client for the Goods purchased under the Purchase Order. The Provider shall allow the Client to review procedures, practices, processes and related documents to determine such acceptability.

The Provider has the responsibility of performing receiving inspection, if the Client delivers products for processing. The Provider shall verify the documentation and material surface for damages caused during transportation. If any discrepancies or deviations are detected, the Provider shall report them to the Client prior to starting the processing.

d. Personnel

The Provider shall be responsible for ensuring that its personnel are fully trained, skilled, qualified and capable of fulfilling all of the requirements contained in the Order.

e. DPD

If required by the Client, the Provider shall be DPD approved, in accordance with Boeing requirements.

f. Approved sources

If required by the Client, the Provider shall ensure that all standard parts, specified items, special processes and test methods used for the manufacturing of Goods are purchased from OEM - approved sources.

g. Nonconforming items

The Provider is responsible for the quality of its product and shall ensure the conformity of the delivered Goods with the applicable requirements, in particular by means of pre-delivery inspections and final tests.

NOTE: conforming goods means conforming product and complete and correct required documentation.

The Provider shall perform a root-cause analysis and take any necessary corrective action to remedy the causes of non-conforming Items, in order to prevent any recurrence. The Provider shall confirm implementation of the corrective action plan to the Client's satisfaction.

The Provider shall use an 8D/9S process or an equivalent methodology.

UAC is monitoring the quality performance for Providers of aeronautical goods and expects a rejection rate (R2) below 150 ppm.

Where a non-conformity is identified after an Item is delivered by the Provider, the Provider shall immediately submit to the Client a "Notification of Product Quality Escape" in accordance with the IAQG standard 9131 and shall take all necessary measures in support of the Client.

If the Provider delivers defective or non-conforming Goods, the Client may at its option and at Provider's expense: (i) require the Provider to promptly correct or replace the Goods; (ii) return the Goods for credit or refund; (iii) correct the Goods; or (iv) obtain replacement Goods from another source. Return to the Provider of defective or non-conforming Goods and redelivery to Client of corrected or replaced Goods shall be at the Provider's expense.

h. Records

All records must be stored in a controlled environment/suitable manner and according to applicable legal rules, so that they remain identifiable, legible, and available to the Client. The storage time for records relating to products or services performed shall be not less than final aeronautical product lifetime + 6 years.

The Provider shall not destroy or dispose of any records related to the Order without the Client's consent.

### 9. Export control

The Provider shall be responsible for and shall obtain and maintain (in a timely manner) all licenses, permits and other governmental approvals required for the performance of its obligations and for the export of the Products to Delivery Point.

### 10. Warranties

Without prejudice to any other warranties, the Provider warrants to the Client that the Item and/or any part thereof shall (i) be free from any defects and be suitable for their intended use and; (ii) comprise only materials and goods which are new, of recent manufacture, merchantable and of satisfactory quality and; (iii) be compliant with the requirements and with the technical documents, if any, of the Client and; (iv) in the case of a service, additionally to be performed with all reasonable skill and care and in accordance with best industry practice.

The warranty will be for a minimum period of twenty-four (24) months from the acceptance of the Item by the Client.

### 11. Price and payment

The prices stated on the Purchase Order are firm fixed prices, in accordance with the negotiated offer.

Payment shall not be deemed acceptance of the Product by the Client.

### 12. Invoices

The Provider shall issue an invoice concurrently with the delivery of the Item and send it for the attention of the Client's accounting department. Each invoice shall include the designation, reference and quantity of Items, the Order and Item numbers, the price, the actual delivery date, names and addresses of the Parties, any specific terms or conditions and reference to a discount, if any.

### 13. Intellectual property

The Provider shall not use or disclose any data, designs, drawings or other information belonging to or supplied by or on behalf of the Client, except as necessary in the performance of the Order and only with the knowledge and consent of the Client. All data will be immediately returned to Client, at the Provider's cost, upon demand. The conditions defined in the signed Non Disclosure Agreement apply.

### 14. Confidentiality

Any and all information relating to the Order and communicated by the Client to the Provider, or to which the Provider may have access in connection with the Order, and/or any information in any form, on any medium, which is declared as being confidential or which can reasonably be regarded as confidential because it is by its nature, commercially sensitive or is manifestly of a confidential nature shall be referred to as "Confidential Information".

The Provider shall use Confidential Information exclusively for the purposes of the Order. Confidential information shall not be disclosed, under any circumstance, to any third party without the express written consent of UACE.

The Provider shall be under no obligation of confidentiality if they can prove that the Confidential Information was (i) already publicly known when the Provider gained access to it or (ii) that it became publicly known through no fault of the Provider after it gained access to it or (iii) that the Provider was able to lawfully gain access to the information.

### 15. Amendments/Changes

The Client's Authorized Procurement Representative may, in writing, perform changes within the general scope of the PO in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) delivery point, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of Client-furnished property; (vi) terms and conditions of the PO required to meet Client's obligations under its customer POs or subcontracts; and, if the PO includes services, (vii)

description of services to be performed;; and (viii) place of performance. The Provider shall comply promptly with such direction.

The Client shall modify the PO in writing accordingly.

### **16. Communication**

All correspondence shall be sent to the addresses referenced in the order.

The Parties agree that the Purchase Order, as well as all contractual documents, correspondence, invoices, notices, and other documents, shall be in English or Romanian.

The Provider shall promptly notify the Client in advance and in writing with respect to the following: change in ownership and/or corporate re-organization, cancellation or suspension of certifications (e.g. quality, export, etc.), changes in key personnel, plant relocation and any significant change that may affect the performance of the Provider's obligations under the Order.

### **17. Termination**

In the event the Provider breaches or fails to comply with one or more of its obligations herein, the Client may give the Provider written notice of such breach or non-compliance at any time thereafter. The Provider shall remedy such breach or non-compliance within twenty-eight (28) days from the date of such notice. Should the provider be unable to remedy the breach, then the Client shall, without incurring any liability whatsoever, have the right to immediately terminate the Order in progress by giving written notice of termination to the Provider.

In the event that an Excusable Delay exceeds or is expected to exceed thirty (30) days following the occurrence of the cause thereof, each Party shall be entitled to terminate forthwith the Order, or any part thereof, by giving written notice of termination to the other Party, without incurring any liability whatsoever.