

GENERAL TERMS AND CONDITIONS OF PURCHASE

0. DEFINITIONS

In these general terms and conditions of purchase, the following terms shall be deemed as having the meanings given below:

- Delivery date: The date on which the goods should reach BMT AEROSPACE INTERNATIONAL.
Parties: Both BMT AEROSPACE INTERNATIONAL and the Seller, whereby BMT AEROSPACE INTERNATIONAL: BMT AEROSPACE INTERNATIONAL NV and/or its affiliated companies.
Seller: The party to the contract with BMT AEROSPACE INTERNATIONAL.
The goods: The materials, components, machines, services, drawings, instructions and technical specifications acquired by BMT AEROSPACE INTERNATIONAL in accordance with the contract.

1. GENERAL

- 1.1. These general terms and conditions shall be applicable except in the cases of alterations to which the parties expressly agree in writing.
1.2. Acceptance of the assignment implies that the Seller renounces application of the provisions of its general or specific terms and conditions of sale, even where it is stipulated therein that these are solely and exclusively applicable.

2. ESTABLISHMENT OF THE CONTRACT

The contract is deemed to have come into being the moment that BMT AEROSPACE INTERNATIONAL and the Seller have signed the contract, or, in the event of there being no contract, the moment that the Seller receives BMT AEROSPACE INTERNATIONAL's written order, provided that there is no message to the contrary from the Seller within eight (8) calendar days counting from the date on which the written order was sent.

3. DRAWINGS AND DESCRIPTIONS

- 3.1. The weights, dimensions, capacities, prices, specifications and other data included in catalogues, prospectuses, circulars, advertisements, illustrations and price lists shall have the character of an approximate indication. These data are only binding insofar and to the extent that the contract makes explicit reference thereto.
3.2. Drawings and technical descriptions handed over by BMT AEROSPACE INTERNATIONAL to the Seller before or after the establishment of the contract, for the purpose of these being used in the manufacture or assembly of the goods or a part thereof, shall remain the sole property of BMT AEROSPACE INTERNATIONAL. The Seller may not use, copy, or reproduce these, or transfer or reveal them to third parties, without BMT AEROSPACE INTERNATIONAL's permission.
3.3. Drawings and technical descriptions handed over by the Seller to BMT AEROSPACE INTERNATIONAL before or after the establishment of the contract, for the purpose of these being used in the manufacture or assembly of the work or a part of the work, shall remain the sole property of the Seller.
3.4. At the beginning of the guarantee period described in Article 10, the Seller shall provide BMT AEROSPACE INTERNATIONAL, free of charge and when the latter so requests, with information and other drawings of the products which shall be sufficiently detailed in order to put BMT AEROSPACE INTERNATIONAL in a position to be able to use and maintain all the parts, as well as carry out standard repairs, and to make product assembly and start-up possible. This information and these drawings shall become the property of BMT AEROSPACE INTERNATIONAL and the restrictions on their use, as listed in Article 3.3, shall not be applicable to them. However, the Seller may stipulate that they remain confidential.
3.5. Drawings and other documents that are the result of joint efforts of the parties in relation to the fulfilment of the contract shall be the joint property of BMT AEROSPACE INTERNATIONAL and the Seller. This means, *inter alia*, that each party shall be entitled to use these drawings and documents freely for its own requirements. Any licensing *contracts* shall be concluded by both parties jointly. However, the foregoing does not imply any limitation of the parties' rights with regard to "know-how" that is developed separately from the subject of the contract or rights to patented inventions produced by the staff of one of the parties, even when such "know-how" or invention is described in the aforementioned drawings or documents.
3.6. The Seller is prohibited from mentioning or using BMT AEROSPACE INTERNATIONAL's trade name, brand names or products for reference or advertising purposes without BMT AEROSPACE INTERNATIONAL's written permission.
Publicity and advertising relating to the deliveries made to BMT AEROSPACE INTERNATIONAL *may* only be carried out by the Seller with BMT AEROSPACE INTERNATIONAL's prior written permission.

4. PACKAGING

Unless otherwise agreed, the costs of packaging or protection necessary in order to prevent damage during transport under normal circumstances to the destination mentioned in the contract, shall be included in the prices mentioned in the offers and in the contract.

5. SAFETY RULES

The Seller shall be responsible and liable for compliance with the latest laws, rules and regulations in force, and those that were in force at the time the contract came into being, that are applicable as regards safety and hygiene of all materials, components, services, drawings, instructions and technical specifications, as well as environmental, electrical and electromagnetic provisions. The foregoing shall be assessed on the basis of the codes and standard in force in Europe. In the event of there being no European code or standard applicable, the parties shall consult as to the applicable standard.

Should the aforementioned laws, rules and regulations be amended between the date on which *the contract* comes into being and the date of delivery, BMT AEROSPACE INTERNATIONAL shall immediately notify the Seller of this and the parties shall decide in mutual consultation as to the consequences that this will have for the contract.

6. CHECKS AND TESTS

CHECKS

- 6.1. BMT AEROSPACE INTERNATIONAL shall be allowed to have the quality of the material used and the quality of the parts checked and verified by its suitably authorised representatives, both during and after the manufacture of said material and parts. These checks and verifications shall be carried out during normal working hours in the workshop, after the place, date and time have been previously agreed with the Seller.
- 6.2. If, on the grounds of these checks and verifications, BMT AEROSPACE INTERNATIONAL is of the opinion that certain materials or parts have defects or are not in conformity with the contract, it must make its comments known in writing, accompanying these with the grounds justifying said opinion.
- 6.3. The fact that no comments are made on the grounds of these checks or investigations shall not detract in any way from the Purchaser's right to refuse the goods if these are not in conformity or if they are affected by visible or concealed defects.

TESTS

- 6.5. Unless otherwise agreed, the acceptance tests shall be carried out in the Seller's workshop during normal working hours. If the technical requirements for the tests are not specified in greater detail in the contract, said tests shall be carried out in accordance with general practice in the branch of industry in question in the country where the goods have to be delivered.
- 6.6. The Seller shall give BMT AEROSPACE INTERNATIONAL notification far enough in advance in order to give the latter's representatives the opportunity to be present at the tests. If BMT AEROSPACE INTERNATIONAL is not represented at the tests because it had not been notified in time, BMT AEROSPACE INTERNATIONAL shall be entitled to demand a completely new test procedure. If BMT AEROSPACE INTERNATIONAL opts not to be represented by anyone at these tests, the Seller shall inform it of the test report.
- 6.7. When it is ascertained in a test that the goods or services have defects or are not in conformity with the contract, the Seller must make good the defects as quickly as possible or see to it that the goods meet the requirements laid down in the contract. Then, if BMT AEROSPACE INTERNATIONAL so desires, the test will be repeated.
- 6.8. Unless otherwise agreed, all costs associated with the tests carried out in the Seller's workshop shall be borne by the Seller, except for the personal expenses incurred by BMT AEROSPACE INTERNATIONAL's representatives.
- 6.9. If the contract makes provision for tests at the place where the products in question are to be set up, the conditions under which these tests are conducted shall be specially agreed upon between the parties.

7. DELIVERY

- 7.1. Unless otherwise agreed, the delivery should be effected by the Seller 'free carrier at place of production' (FCA), in accordance with the Incoterms 2000.
- 7.2. The delivered goods should be in keeping with the stipulations contained in the order, specifications, drawings and quality agreements and with the conditions that can be considered as belonging thereto. They may be deemed as having been accepted by BMT AEROSPACE INTERNATIONAL as soon as the definitive inspection carried out by BMT AEROSPACE INTERNATIONAL, the method for which is determined by BMT AEROSPACE INTERNATIONAL, has given a favourable result. With regard to measurements, quantities and weights, the findings of the BMT AEROSPACE INTERNATIONAL check shall be applicable.
- 7.3. If the delivered goods fail to meet the test requirements, BMT AEROSPACE INTERNATIONAL reserves the right to freeze the entire delivery. BMT AEROSPACE INTERNATIONAL shall not pay the Seller for goods that are rejected. The rejected goods will either be turned into scrap, at the Seller's expense, or will be collected by the Seller, again at the latter's expense. If the rejected goods can be reprocessed, the Seller, BMT AEROSPACE INTERNATIONAL or a third party shall carry out the repair, at the Seller's expense.
- 7.4. The Seller has fulfilled its delivery obligation as soon as BMT AEROSPACE INTERNATIONAL has definitively accepted casting models and forging moulds.
- 7.5. Rejected goods should immediately be replaced by others, at the Seller's expense and under the Seller's responsibility, without this resulting in any delay to subsequent deliveries.
- 7.6. If, on the grounds of repeated rejection, there are justified doubts as to whether the Seller can meet the delivery or quality requirements laid down by BMT AEROSPACE INTERNATIONAL, BMT AEROSPACE INTERNATIONAL reserves the right to terminate the agreement, either wholly or partially, with immediate effect. In this case, BMT AEROSPACE INTERNATIONAL shall not be obliged to compensate any damage ensuing from this termination for the Seller.

8. DELIVERY PERIOD

- 8.1. Unless otherwise agreed in the contract, the delivery period begins to run on the date on the order form which is sent by BMT AEROSPACE INTERNATIONAL, and the delivery lead-time or delivery date is binding.
- 8.2. Without prejudice to its obligations vis-à-vis BMT AEROSPACE INTERNATIONAL, the Seller should immediately notify BMT AEROSPACE INTERNATIONAL in writing of any circumstances referred to in Article 13, that could result in a delay in the deliveries. In such cases the Seller shall be obliged to make every effort and do everything in its power to meet its obligations.
- 8.3. It is the Seller's duty to ensure that its sub-sellers respect the delivery date, and to take the necessary measures, at the proper time, to replace them in good time, if need be.
- 8.4. Once the fixed delivery date or lead-time has lapsed, the Seller shall be liable for payment of a lump-sum compensation of 0,5% of the invoice price per week delay, without any prior official notice of default being necessary.

As soon as the delay reaches 30 days, BMT AEROSPACE INTERNATIONAL shall be entitled to cancel the contract, without the intervention of the courts, subject to a prior official notification of default having been served and there having been no reaction to this within 8 days of receipt thereof. Application of the above stipulation shall not detract from BMT AEROSPACE INTERNATIONAL's right to claim compensation in full from the Seller.

- 8.5. The Seller shall protect BMT AEROSPACE INTERNATIONAL against all claims from third parties that might be based on the Seller's non-performance.
- 8.6. BMT AEROSPACE INTERNATIONAL shall not be obliged to effect any purchases if and for as long as production is discontinued on account of a strike at BMT AEROSPACE INTERNATIONAL or one of its sellers, or for other reasons.

9. PAYMENT

- 9.1. The payment period is established in the contract. Payment may only be effected after receipt, definitive approval and acceptance of the goods, as described in Article 7.4, and upon receipt of a valid invoice raised by the Seller.
- 9.2. Payment does not imply formal acceptance of the delivery.
- 9.3. Any advances paid by the Purchaser shall be deducted from the purchase price.
- 9.4. A payment linked to the fulfilment of an obligation by the Seller may not be demanded before said commitment has been fulfilled, unless the Seller's failure to fulfil its commitment is attributable to an action or a failure to act on the part of BMT AEROSPACE INTERNATIONAL.
- 9.5. If BMT AEROSPACE INTERNATIONAL does not pay on time as a result of one of the circumstances listed in Article 13, the Seller may not attach any entitlement to compensation to said default.

10. GUARANTEE

- 10.1. The Seller guarantees that the delivered goods are of good design, are manufactured of reliable material, and that they are suitable for the purpose for which they are intended, a purpose with which the Seller is familiar.
- 10.2. BMT AEROSPACE INTERNATIONAL's claims pursuant to defects in the delivered goods shall continue to be upheld in full force, even if these defects should first become apparent during the further processing or the use of the goods, unless these are attributable to incorrect handling by BMT AEROSPACE INTERNATIONAL of the goods delivered by the Seller. The Seller shall protect BMT AEROSPACE INTERNATIONAL against claims from third parties in respect of damage incurred by these third parties as a result of defects to goods that the Seller has delivered to BMT AEROSPACE INTERNATIONAL.
- 10.3. The parts that are replaced or repaired in accordance with this article shall be guaranteed under the same provisions and conditions as the original goods.
- 10.4. The Seller undertakes to make good all defects to the goods as quickly as possible, irrespective of the cause or nature thereof, and to compensate BMT AEROSPACE INTERNATIONAL for any and all damage that BMT AEROSPACE INTERNATIONAL may have suffered as a consequence of said defects.

11. LIABILITY FOR DAMAGE

- 11.1. The Seller shall assume all obligations imposed upon manufacturers by EC Directive 89/392/EC of 14 June 1989 on the safety of machines, inclusive of its subsequent amendments (*inter alia* EC Directive 91/368/EC of 20 June 1991), as well as the national laws and rules and regulations transcribing these directives into national law, and shall fulfil these to the complete discharge of BMT AEROSPACE INTERNATIONAL.
- 11.2. The Seller shall be responsible for ensuring that at the time of delivery the goods comply with the relevant applicable statutory requirements and government rules and regulations in force in Belgium. The Seller shall see to it that the delivered goods do not infringe any patent rights, trademark rights or any other third-party rights, and shall protect BMT AEROSPACE INTERNATIONAL against any claims in this respect.
- 11.3. The Seller shall protect BMT AEROSPACE INTERNATIONAL against any claims from third parties, including those originating from any public authority, that could be founded on the failure to comply with those instruments having the force of law listed in Articles 11.1 and 11.2.
- 11.4. The Seller shall protect BMT AEROSPACE INTERNATIONAL against all actions by third parties based on concealed defects (Article 1641 of the Civil Code) and/or the law on product liability (Belgian law of 25 February 1991) that result from defects in the products delivered by the Seller or a shortcoming in the instructions, information or warnings concerning its products.
- 11.5. This guarantee covers all compensation and any amounts whatsoever that BMT AEROSPACE INTERNATIONAL may be obliged to disburse in the framework of the aforementioned actions.
- 11.6. In the event of such actions, the Seller shall place at BMT AEROSPACE INTERNATIONAL's disposal, free of charge, all information, documents and other items or materials that might be necessary for its defence and as proof of the positions it is adopting.
- 11.7. The Seller shall only use parts, components, products and raw materials, the seller and/or producer of which can unambiguously be identified.
- 11.8. Prior to every delivery, the Seller shall furnish BMT AEROSPACE INTERNATIONAL proof that it has taken out insurance for its aforementioned liability in the form of a policy of sufficient value that covers the entire term of this liability.
- 11.9. If BMT AEROSPACE INTERNATIONAL holds a claim for damages in respect of the Seller as a result of non-performance on the part of, or an unlawful deed committed by the latter, BMT AEROSPACE INTERNATIONAL shall be entitled to suspend, without interest payment, any existing debt liability arising from earlier or subsequent contracts, relating to which there are no disputes between the parties, until a decision has been taken on these damages by the competent court or between the parties in mutual consultation.

12. INTELLECTUAL PROPERTY RIGHTS

- 12.1. The Seller shall be obliged to keep secret all data concerning the drawings, models and other resources referred to in Article 3.2 and concerning the activities of the company BMT AEROSPACE INTERNATIONAL which may come to its attention or the attention of persons working under its authority, and to have the latter persons respect this duty of confidentiality.
- 12.2. Drawings, models and other resources that BMT AEROSPACE INTERNATIONAL places at the Seller's disposal, may not be wholly or partially copied, given to third parties for perusal, or used for the benefit of third parties or for purposes other than the fulfilment of the contract at hand, without the written permission of the BMT AEROSPACE INTERNATIONAL Purchasing Department.
- 12.3. In the event of the Seller infringing the above-mentioned obligations, the Seller shall pay BMT AEROSPACE INTERNATIONAL the redress for the damage that this causes. This redress shall be due and payable *ipso jure*, without notification of default, and shall be subject to an irreducible minimum of EUR 500,000, subject to BMT AEROSPACE INTERNATIONAL's right to demand additional remuneration to the amount of the actual damage suffered.
- 12.4. The Seller may not deliver and/or offer to third parties the same goods that are ordered by BMT AEROSPACE INTERNATIONAL, or the service parts needed for them, without the written permission of the BMT AEROSPACE INTERNATIONAL Purchasing Department, unless these goods had already been brought onto the market by the Seller in a wholly equivalent composition as standard branded articles, through the Seller's own trading organisation, prior to BMT AEROSPACE INTERNATIONAL having placed its order for these goods. The various "Spare Parts" organisations are also counted as "third parties".
- 12.5. If, for the fulfilment of the order, tools and/or equipment are/is made available by BMT AEROSPACE INTERNATIONAL or are/is made or purchased by the Seller entirely at BMT AEROSPACE INTERNATIONAL's expense, these/these shall remain, or as the case may be, become the property of BMT AEROSPACE INTERNATIONAL. The Seller undertakes to keep these drawings, models, tools and other resources at its own expense and risk. The Seller shall see to it that the models, tools and other resources are well maintained, and are repaired or replaced, at its own expense and risk. It shall insure them, at its own expense, against loss, theft, damage and fire.

13. CIRCUMSTANCES RESULTING IN DISCHARGE OF LIABILITY

- 13.1. The following shall count as circumstances resulting in a discharge of liability, insofar as they occur after this contract has come into being and prevent the performance thereof: industrial conflicts and all other circumstances, *inter alia* fire, mobilisation, attachment, embargo, currency transfer bans, revolt, shortage of means of transport, general shortage of raw materials, and restrictions on power consumption, if the occurrence of these other circumstances is beyond the parties' control.
- 13.2. The party that invokes the above-mentioned circumstances must immediately notify the other party of the commencement of said circumstance, and also the conclusion thereof.
If one of these circumstances occurs, both the Seller and BMT AEROSPACE INTERNATIONAL are relieved of all liability.
- 13.3. The consequences of the aforementioned circumstances, insofar as these have an effect on the timely fulfilment by the parties of their obligations, are described in Articles 7 and 9. However, if the implementation of the contract within a reasonable period of time becomes impossible as a result of these circumstances, each of the parties shall be entitled to terminate the agreement by means of a written notification, without intervention of the courts.
- 13.4. In the event of termination of the contract pursuant to Article 13.3, the division of the costs already incurred for the implementation of the contract shall be settled amicably between the parties.
- 13.5. Should the parties fail to come to an amicable settlement, then the court shall decide which of the parties was prevented from meeting its obligations. If the court is of the view that only one party failed to meet its obligations, all the aforementioned costs shall be borne by this party. If it is BMT AEROSPACE INTERNATIONAL that has to bear all these costs, and if the latter has already paid the Seller more than the amount of costs incurred by the Seller before the termination of the contract, it shall be entitled to repayment of the balance. If the court concludes that both parties were prevented from meeting their obligations, it shall divide the costs between the parties in the manner in which it deems reasonable, taking all circumstances into consideration.
- 13.6. In the sense of this article, "costs" is understood as meaning actual and reasonable expenses, after each of the parties has limited its damage as far as possible. However, as regards goods delivered to BMT AEROSPACE INTERNATIONAL, the part of the price to be paid on the grounds of the contract that relates to the delivery shall also be considered as Seller's costs.
- 13.7. If no further deliveries are possible on account of *force majeure* or winding up, as the case may be, the Seller shall be obliged to place at BMT AEROSPACE INTERNATIONAL's disposal the drawings, tools, etc., that it has used for the fulfilment of its contractual obligations, and to do so in good time.

14. SERVICE PARTS

The Seller undertakes to keep open the possibility for subsequent delivery to BMT AEROSPACE INTERNATIONAL of the delivered goods, and the service parts needed for these, for at least 15 years after the last delivery for first assembly, at the prices and discounts to be reasonably negotiated in that case. If this is no longer possible on account of winding up or *force majeure*, the Seller shall be obliged to place at BMT AEROSPACE INTERNATIONAL's disposal all drawings, tools, etc., that it has used for the fulfilment of its contractual obligations, and to do so in good time.

15. CHANGES AND ORDERS

- 15.1. Insofar as this is necessary, changes resulting from modified quantities or altered specifications, or the termination of the contract as a consequence of the ordered product being discontinued or changing, shall be subject to a negotiated agreement.
- 15.2. If, after these negotiations, the Seller is unable to deliver the relevant quantity or quality of goods within the stipulated deadline, BMT AEROSPACE INTERNATIONAL shall be entitled to terminate the contract. In this case, the Seller shall not be able to claim any compensation of any kind whatsoever.
- 15.3. Costs arising for the Seller that relate to the production of quantities that have not been ordered, shall be borne in full by the Seller, irrespective of the reason for the change in quantities. All goods that have thus been produced shall be destroyed, or at least rendered unusable by the Seller, at the latter's own expense.

16. PROVISIONS OF A MISCELLANEOUS NATURE

- 16.1. In the case of collusion between the Seller and one or more of BMT AEROSPACE INTERNATIONAL's members of staff, or in the event of a dishonest proposal made by one of said parties to the other, BMT AEROSPACE INTERNATIONAL reserves the right to terminate the contract without a period of notice or any compensation.
If the client is a party other than BMT AEROSPACE INTERNATIONAL's purchasing production company, it shall be considered as acting as the representative of BMT AEROSPACE INTERNATIONAL's purchasing production company.
- 16.2. In the event of non-performance on the part of or an unlawful deed committed by the Seller in respect of BMT AEROSPACE INTERNATIONAL, all costs pertaining to legal assistance, including all extra-judicial costs, incurred by BMT AEROSPACE INTERNATIONAL in this respect shall be borne by the Seller.

17. APPLICABLE LAW

Unless expressly agreed otherwise in writing, these general terms and conditions of purchase and/or the contracts to which these conditions apply, as well as any disputes relating to these general terms and conditions of purchase and/or the contracts to which these conditions apply, shall be subject to Belgian law.

18. COMPETENT COURT

In the event of disputes deriving from these conditions and/or the contracts to which these conditions apply, the courts of the legal district in which BMT AEROSPACE INTERNATIONAL's company seat is established shall have sole jurisdiction. The Dutch text shall be binding for the interpretation of these conditions.