

General Terms of Purchasing and (Sub) Contracting Conditions of Bradford Engineering B.V. in Heerle, the Netherlands, filed at the Chamber of Commerce in Breda, The Netherlands under number 20046521.

DEFINITIONS

- A. "Client" means legal entity Bradford Engineering B.V. (BE) issuing this Order, or issuing any order under any agreement to which these terms and conditions are attached or referenced therein, or to any entity to which this Order is assigned pursuant to this Order.
- B. "Purchase order", "Order", "Contract" or "Agreement" means this agreement, including change notices, supplements, amendments, or modifications thereto, except where the context indicates that a particular Purchase order document or other particular document is being referred to.
- C. "Contractor" means the legal entity providing Goods and/or Services or otherwise performing work pursuant to this Order.
- D. "Goods" or "Products" means goods, products, supplies, or items that include, but are not limited to, those part numbers, model numbers, and/or descriptions set forth on the face of this Order. These terms also include computer software or hardware (including any software, firmware or other hardwired logic embedded within the hardware) delivered or to be delivered under this Order.
- E. "Electronic Signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.
- F. "Open Source" means with respect to Software and any licenses of same, that Software provided under a license which permits the user to run, copy, distribute, study, change, modify and/or improve the Software but which prohibits the user from:
- Withholding improvements and/or modifications made by the user to the source code when and/or if user thereafter distributes the Software; and/or
 - Adding restrictions on use when redistributing or transferring the Software to third parties. For purposes of this Contract, "Open Source" Software shall also include "Free Software" as defined by the Free Software Foundation Inc. By way of example and not limitation, "Open Source" licenses shall include such licenses as the GNU General Public License, the Mozilla Public License 1.1, Apache Software License Version 2.0, the Academic Free License 2.0, and Open Software License 2.0.
- G. "Services" means any effort provided by Contractor incidental to the sale of Goods by Contractor under this Order including, without limitation, installation, repair and maintenance Services. The term "Services" shall also include, without limitation, any effort specifically required by this Order, including all associated efforts such as design, engineering, repair, maintenance, technical, construction, consulting, professional, or other services.
- H. "Counterfeit Good(s)" means a part that is a copy or substitute without legal right or authority to do so or one whose material, performance, or characteristics are knowingly misrepresented at any level in the supply chain. Examples of Counterfeit Goods may include, but are not limited to:
- Parts which do not contain the proper internal construction (die, manufacturer, wire bonding, etc.) consistent with the ordered part
 - Parts which have been used, refurbished or reclaimed, but represented as new product
 - Parts which have a different package style or surface plating/finish than the ordered parts
 - Parts which have not successfully completed the Original Equipment Manufacturer's (OEM) / Original Component Manufacturer's (OCM) full production and test flow, but are represented as completed product
 - Parts sold as up-screened parts, which have not successfully completed up-screening, or
 - Parts sold with modified labeling or markings intended to misrepresent the part's form, fit, function, grade or manufacturing date.

Article 1: Applicability

- 1.1 All articles inclusive of these General Terms shall be applicable to all offers made to the Client and all agreements concluded with the Client for the delivery of Products. If the offers or the agreements concluded also or exclusively concern (sub) contracting and/or execution of Services, articles 17 to 23, inclusive, of these General Terms shall apply as well.
- 1.2 The Client is the natural or legal person using these General Terms of Purchasing and (Sub) Contracting. The other party shall be referred to as the Contractor. In these General Terms, work shall also include the execution of Services.
- 1.3 The standard conditions of the Contractor shall not apply and are expressly rejected.
- 1.4 Any deviations from these General Terms of Purchasing and (Sub) Contracting shall only apply if the Client has provided the Contractor with written confirmation of these.
- 1.5 Order of Precedence
The various documents constituting this Order shall, insofar as is possible, be interpreted so as to be consistent with one another. In the event that a conflict or ambiguity arises in the interpretation of this Order, said conflict or ambiguity shall be resolved in accordance with the following order of precedence, with the first listed item having a higher precedence than later listed items:
- Provisions set forth on the face page of this Order form
 - This Terms and Conditions document
 - The Supplier Quality Requirements document
 - The Statement of Work attached hereto, if any
 - Specification, and
 - Drawing(s).

Article 2: Costs related to offers

- 2.1 The Client shall not reimburse any costs made in connection with offers or quotations, also including the costs of advice, drawings etc. made by, or on behalf of, the Contractor.

Article 3: Delivery date and penalty

- 3.1 The Contractor shall deliver the Products in accordance with the delivery date mentioned in the Purchase order. If the Products have not been delivered in full by the delivery date, the Contractor shall be deemed to be in default. As soon as the Contractor has reasons to suspect that he will not be able to deliver, to deliver duly or to effect delivery wholly or partly in time, he shall inform the Client immediately.
- 3.2 The Contractor shall be liable for any damage and/or loss incurred as a result of a delay in delivery as meant in article 3.1.
- 3.3 If Contractor fails to successfully complete any milestone of work within the completion date indicated in the PO/Contract, and such delay is not an excusable delay, then the Contractor agrees to pay the Client a liquidated damages amount of 0,1% per calendar day of delay until work is successfully completed within a maximum of 10% of the total value of the PO/Contract.
- 3.4 The penalty referred to in article 3.3 may be claimed in addition to damages by virtue of the law. The Client is entitled to set off this penalty and/or these damages against the amounts owed to the Contractor.

Article 4: Prices

- 4.1 The prices referred to in the offer are based on delivery "DDP" for all the sites from Bradford Space in Europe (Netherlands, Sweden, Luxembourg) and outside Europe (USA) in accordance with Incoterms 2020. All prices are firm, fixed, net of all duties and taxes and include adequate packaging.

- 4.2 Any increase in prices after the agreement has been concluded shall not be passed on to the Client, regardless of the period which has elapsed between the date the agreement was concluded and its execution.

Article 5: Transmission of risk

- 5.1 Delivery of the Products shall be made "DDP" for deliveries within the European Union and outside the European Union, in accordance with Incoterms 2020.
- 5.2 Should the Contractor choose to transport or to arrange for transport, despite the fact that the prices are agreed as "ex works", the risk for loading and transport shall be borne by the Contractor.
- 5.3 If the Products are collected on behalf of the Client, the Contractor has to assist the Client or the representative of Client with the loading free of charge. In that case the risk of loading shall be borne by the Contractor.
- 5.4 Open Source Software
Without the prior written approval of Buyer, which Buyer may withhold in its sole discretion, Supplier shall not incorporate any Open Source Software, including any source code governed by an open source license, into work to be performed and/or delivered under this contract. Before Buyer will consider providing written approval for the incorporation of such open source software, Supplier shall first identify all Open Source Software incorporated into Work to be performed and/or delivered under this Contract, including a complete source code listing of the Software comprising the Work with a description of the operation of the Software in English and machine-readable form, together with copies of any licenses required to be accepted.
- 5.5 Parts Obsolescence
When Contractor has knowledge that any hardware or material to be provided in performance of this Purchase order is obsolete, is marked for impending obsolescence, or has an established end of production date, Contractor shall immediately give initial notice thereof, including all relevant information with respect thereto. Such notice shall include, but not be limited to:
- Complete details of which parts are affected, including rated Mean Time Between Failure (MTBF) where available
 - Date of obsolescence
 - End of production date
 - Reason for obsolescence
 - Pricing and availability of last-time buy
 - Supportability terms (repair and warranty) for last-time buy; and
 - Contractor's recommendation for replacement hardware inclusive of known impacts to performance, pricing, availability, and lead time. Contractor's initial notifications of obsolescence shall be made through the end of the contracted warranty period for the goods provided under this order.
- 5.6 Counterfeit Goods Prevention
The Contractor shall have a program in place to prevent the delivery of counterfeit parts and materials to Client. All parts, materials and assemblies (electrical, mechanical, raw material) included in the hardware delivered to Client shall be procured only from a franchised distributor, OEM (Original Equipment Manufacturer) or OCM (Original Component Manufacturer).
If it is determined in a specific instance that this is not possible, a notification must be submitted to Client within five (5) working days of this determination. The Contractor is responsible for the flow down of this requirement to its sub-tier contractors and their compliance to it. Further guidance on counterfeit parts avoidance can be found in SAE documents AS5553 (Electronics) and AS6174 (Material). Furthermore:
- Contractor represents and warrants that Counterfeit Goods are not contained in Goods delivered to Client through the implementation of policies that include prevention, detection and risk mitigation methods to protect against the use of Counterfeit Parts.
 - Contractor shall purchase parts directly from the OCM/OEM, or from the OCM authorized or franchised distributor. Procurement through an independent distributor, non-franchised distributor or broker is NOT authorized. A Certificate of Conformance shall accompany each shipment of Goods delivered, along with OCM/OEM documentation that authenticates traceability of the components to that applicable OCM. If an original OEM/OCM certificate is NOT available, distributor shall provide a De-lid and Die Verification Report for the supplied parts verifying authenticity of the parts and such other documentation, testing and/or other information as Client shall reasonably request; however, the submission of such additional items shall not relieve Contractor of its obligations hereunder.
 - In the event Contractor becomes aware or suspects that it has furnished Counterfeit Parts, it shall immediately notify Client. When requested by Client, Contractor shall provide (if available) Authorized Contractor documentation that authenticates traceability of the parts to the applicable Authorized Contractor.
 - In the event that Goods delivered under this Order are, or include, Counterfeit Parts, Contractor shall promptly investigate, analyze and report in writing to Client whether such Counterfeit Parts should be replaced with genuine parts conforming to the requirements of this Order, or whether an alternative solution is recommended to meet the Order requirements at Contractor's sole expense. The parties shall then agree upon the appropriate course of action.
 - Contractor shall include this clause or reasonably equivalent provisions in all subcontracts for the delivery of Goods that will be furnished to or included in Goods furnished to Client.
- 5.7 Electronic Contracting
Client and Contractor agree that if this Contract, or any ancillary agreement, or correspondence is transmitted electronically neither Client nor Contractor shall contest the validity thereof, on the basis that this Contract, acknowledgement, ancillary agreement, or correspondence exists only in electronic form, an electronic record was used in its creation or formation, or it contains only an Electronic Signature.
- 5.8 Conflict Minerals
Contractor recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and the forthcoming EU Conflict Minerals Regulation legislation, the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("DRC countries"). Accordingly, Contractor commits to comply with Section 1502 of Dodd-Frank and its implementing regulations, and/or the forthcoming EU Conflict Minerals Regulation legislation when it comes into effect, whichever is the more stringent. In particular, Contractor commits to have in place a supply chain policy and processes to undertake:
- A reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides Client
 - Due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and
 - Risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Contractor shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time.

Article 6: Inspection and testing

- 6.1 The Client shall at all times be entitled to inspect or test the Products ordered or delivered and the work or work in progress. In that case, the Contractor shall arrange for any facilities which may reasonably be required in connection with this and take notice of the administrative records involved in the contract concerned.

6.2 The costs of the testing referred to in article 6.1 shall be borne by the Contractor, in the event that the Client rejects these Products/the work. Inspection or approval shall not release the Contractor from any warranty or liability arising under the agreement or the law.

Article 7: Rejection

7.1 If the Products/the work delivered by the Contractor do not meet the requirements set forth in the order and/or the specification, the Client shall be entitled to reject these. Taking delivery or payment of the Products and/or the work does not imply approval thereof. The costs and risks shall remain the Contractor's responsibility until the Client has accepted the Products/the work.

7.2 Should the Client reject delivery and/or the work the Contractor shall within a period determined by the Client: repair the Products/the work free of charge; or replace the Products free of charge or carry out the work in accordance with the agreement.

7.3 If the Contractor does not meet its obligation referred to in article 7.2, or not within the set period, or not to the Client's satisfaction, the Client shall be entitled to carry out repairs itself or arrange repairs by a third party at the Contractor's expense. The Client shall be entitled to set off this penalty/these damages against the amounts owed to the Contractor.

Article 8: Intellectual property rights

8.1 The Contractor guarantees that the Products/the work he delivers do not infringe with any third-party intellectual property rights and shall indemnify the Client from all third-party claims which may be raised against the Client. The Contractor shall compensate the Client for any loss, damages and other expenses arising out of or in connection with the infringement of any intellectual property rights.

8.2 The Contractor shall be the owner of all Intellectual Property Rights, except as set forth below, and shall grant to the Client, Customer, Main Customer and Customer Designee the right to use as set forth in paragraph 8.3 below.

The Client shall retain all right, title, and interest in any Foreground Data, including all intellectual property, arising from the performance of the PO/Contract.

The same shall apply in case the price for any such experimental and/or development and/or research and/or study and/or non-recurring activities was already paid by the Client under any separate contract with the Supplier.

8.3 The Contractor hereby grants to the Client, Customer, Main Customer and Customer Designee a royalty free, fully paid up, worldwide, non-exclusive and irrevocable, right to use any Foreground Data for the purpose, with the right to sub-license.

8.4 The Contractor hereby grants to the Client, Customer, Main Customer and Customer Designee a royalty free, fully paid up, worldwide, non-exclusive and irrevocable, right to use any Background Data, with the right to sub-license provided that such right to use may be granted only to the extent reasonably necessary to the use of Foreground Data.

8.5 The free licenses provided under this article shall be deemed granted through signature of the PO/Contract and without the need to implement a separate license.

Article 9: Confidentiality

9.1 All Confidential Information which means and includes all information, documents, drawings, know-how, and knowledge etc. disclosed by the Client in whatever form to the Contractor, shall be kept secret and confidential and shall not be disclosed to others or used by the Contractor for any purpose other than for the purpose of executing his respective contractual obligations.

9.2 The Confidential Information as meant in article 9.1 shall not be disclosed, directly or indirectly to any third party, without the express written consent of the Client. Moreover, the Contractor shall bind his employees to the same confidential obligations as stipulated in this article.

9.3 If the Contractor has to disclose the Confidential Information as meant in article 9.1 to any third party (parties) in connection with the execution of his contractual obligations, he shall also bind such party (parties) to the same confidential obligations as stipulated in this article.

9.4 The Contractor shall owe the Client a penalty payable on demand to the amount of 25% of the total order sum with a minimum of € 5,000.00, if upon violation of violates one or more of the aforementioned obligations, unless agreed in a Non-Disclosure Agreement.

9.5 The penalty referred to in article 9.4 may be claimed in addition to damages by virtue of the law. The Client shall be entitled to set off this penalty and or these damages against the amounts owed to the Contractor.

Article 10: Non-competition

10.1 The Contractor shall completely refrain from making quotations and/or offers to the Client's Customers as these may be determined from documentation submitted.

Article 11: Appliances

11.1 All appliances such as drawings, models, moulds, matrices and tools which Client puts at the disposal of the Contractor for the purpose of executing its respective contractual obligations shall remain or shall become under all circumstances the property of the Client. This also applies to the appliances, which Contractor especially made within the framework of the agreement irrespective of whether costs are charged to the Client for their production.

11.2 All resources and all copies made of these must be made available to the Client or returned to the Client upon its first request.

11.3 The Contractor shall, as well as the Client, store and archive all applicable documents (e.g.: specifications, statement of work, requests for quotation, Purchase order and other applicable documents) for at least 10 years, to be made available on specific request.

11.4 At Client's demand the appliances have to be clearly and non-erased marked as the property of the Client. The Contractor shall indicate the Client's ownership of these appliances to any third party that may wish to seize them.

11.5 Notwithstanding the stipulations in article 9 the Contractor shall not use the appliances for any purpose other than the performance of his contractual obligations. The Contractor shall not reveal the appliances to third parties without Client's express written permission. The Contractor shall bear the risk of loss of and/or damages to the appliances and shall at his own expense insure the appliances against these risks.

Article 12: Liability

12.1 The Contractor is fully liable for all direct and consequential losses, which may arise as a result of an attributable shortcoming or wrongful act of the Contractor, its staff or auxiliary persons. This also includes any loss arising as a result of the presence, use, delivery or removal of the property of the Contractor, its staff or other persons engaged by the Contractor in the execution of the order.

12.2 The Contractor shall fully indemnify the Client against third-party claims for loss compensation as meant in the first paragraph.

Article 13: Insurance

13.1 The Contractor shall prove to the Client, upon request, that the Contractor has arranged, at its own expense, adequate insurance for any loss the Client might sustain as a result of acts or omissions of the Contractor and/or any third parties used.

Article 14: Warranty

14.1 The Contractor gives warranty that all Products/the work provided by the Contractor comply with the agreement; be free from any faults or defects with respect to material, design and manufacturing for a period of 24 months from the date of delivery.

14.2 The Contractor shall repair all defects in the Products/the work which become apparent during the warranty period immediately and in consultation with the Client, or else replace the defective Products, work or parts of the work.

14.3 All Costs in connection with the repair or the replacement of the Products/the work and returning the Products/the work to operation, or – if it forms part of a larger object – the costs in connection with returning said object to operation shall be borne by the Contractor.

14.4 In case the Contractor does not fulfill the responsibilities as agreed within this article, the Client is entitled to rework or to subcontract the rework in order to fulfill the warranty responsibilities to his customers at Contractor's own risk and expense. The Client shall be entitled to set off the costs incurred against the amounts owed to the Contractor.

Article 15: Payment

15.1 Payments will be made within Sixty (60) calendar days subsequent to the receipt of a digital invoice to finance@bradford-space.com accompanied with a receipt of the acceptance document (Certificate of Conformance for Products; detailed summary of the work for Services). Only upon fulfilment of these requirements shall the invoice be regarded as due by the Client.

15.2 As much as possible payment will be effectuated within the agreed term of payment, unless the Client has a complaint after taking delivery of the Products - including the corresponding documents - with regard to the quantity and/or quality of the consignment or if the consignment is rejected.

15.3 In the event of advance payment or periodic payment, the Client shall be entitled to demand a sufficient guarantee for delivery at Client's discretion. If the Contractor does not provide this within the set period, it shall be in default. The Client shall in that case be entitled to rescind the agreement and to recover its losses from the Contractor.

15.4 The Client shall be entitled at all times to offset any amounts the parties may have to claim from each other.

Article 16: Applicable law and choice of forum

16.1 The law of The Netherlands is applicable.

16.2 The Vienna Convention on Contracts for the International Sale of Products (CIGS) is not applicable, nor is any other international regulation the exclusion of which is permissible.

16.3 Only the civil court that has jurisdiction in the place of establishment of the Client may take cognizance of disputes, unless this would be contrary to applicable law. The Client may deviate from this rule of jurisdiction and apply the statutory rules governing jurisdiction. The parties may agree a different form of dispute resolution such as arbitration or mediation.

(SUB-)CONTRACTING/SERVICES

Article 17: Contractor's obligations

17.1 In the event and to the extent that Personal Data is collected from the Client and processed or used by the Contractor during and for the performance of the Work described in the PO/Contract, the Contractor shall at all times comply with the European "General Data Protection Regulation" ("GDPR"), as well as all applicable national Personal Data Protection Laws and Regulations (collectively referred to as "Data Protection Laws and Regulations") in force during the term of the PO/Contract. The Parties mutually agree to enter into negotiations to determine appropriate measures to ensure compliance with the aforementioned laws when needed. The Contractor shall ensure that obligations under this Article are included in all contracts to be entered into with its Subcontractors..

17.2 The Contractor undertakes to comply with all provisions in force as at the date of signature of the PO/Contract and, in this respect, to put measures in place, no later than by the date of signature of the PO/Contract, to ensure compliance by itself, its personnel, Subcontractors and suppliers, with the rules applying in each country in which it conducts its activities, on combating, corruption, anti-competitive practices, respect for and protection of person, protection of personal data and the protection of the environment.

17.3 The Contractor shall notify the Client of any non-conforming product and/or material. The product/material has to get a written Client approval before it can be used or delivered to the Client. The Contractor shall initiate such an approval process without any delay.

Article 18: Organization of the work

18.1 General terms:

- a. The Contractor shall be obliged to exclusively observe the Client's directions and instructions.
- b. The Client shall be authorized to deny the Contractor's employees access to the work or to arrange for their removal, on account of unsuitability, disorderly conduct, misconduct etc., without any further reimbursement of costs.
- c. The work and break times at the work site and the rest days or public holidays, vacations or other days off recognized generally or at the location of the work site, or prescribed by public authorities or pursuant to any Collective Labor Agreement, shall also apply to the Contractor and its employees who execute work at the work site. It shall not be possible for the Contractor to recover any losses arising from this from the Client. The latter shall also apply if the Contractor's services cannot be used on account of a strike or other causes evident at the Client or at third parties.
- d. Unless agreed otherwise, the Contractor should ensure, from commencement to completion of the work, that there is a regular foreman at the work site, with whom it shall be possible to make both organizational and technical arrangements. His name must be known to the persons or institutions designated by the Client.
- e. The Contractor should provide its employees with the correct means of personal protection and to supervise their use. Any costs arising from this shall be borne by the Contractor.
- f. Any required insurance as well as the excess of any CAR policy which may have been taken out with respect to the work site, shall be at the Contractor's expense.
- g. The Contractor should arrange for such manpower that the execution of the work is completely adjusted to the planning established by the Client and that other work does not come to a halt. If the Client alters the planning/progress in the work, the Contractor shall be obliged to adjust to this. Manpower changes shall only be permitted following the Client's approval.

18.2 The Contractor shall promptly notify the Client of all changes in product, sub-contracted suppliers, facility locations and/or process definition changes without any delay. Notification should describe the change or changes that have been made or are being proposed. Client reserves the right to require its approval of the product, manufacturing location or the process change before the Contractor forwards the product. The Client has to approve, these changes in a written document prior to delivery.

18.3 The Contractor shall allow the Client (and if applicable their customer as well) and the regulatory authorities to all their facilities involved in the order, where they will have access to all procedures, practices, processes, associated documents and records related to quality assurance, quality control and configuration control. Client reserves the right to determine and verify the quality of work, records and material. The Contractor will notify Client of any change in the location of Contractor's facility.

Article 19: Invoicing

19.1 The Client shall only approve an invoice for payment as soon as the work, or the part to which the installment pertains, has been completed to the Client's satisfaction.

19.2 The invoice should meet the statutory requirements set forth in the applicable (tax) legislation. The Contractor should at any rate state the following details clearly and in an orderly fashion:

- a. The Client's name and address
- b. The Contractor's name and address
- c. The number of the agreement

- d. The work site and the location(s) at which work has been executed, to which the invoice pertains
- e. The period and the execution to which the invoice pertains
- f. A statement of the turnover tax or the transfer arrangements with respect to it, if this is not applicable, and in the latter case, the amount of turnover tax
- g. A statement of the VAT identification number of the Contractor
- h. A statement of the VAT identification number of the Client, if the VAT payment has been transferred to the Client
- i. An indication of the invoice amounts, split according to tax rate and subsequently subdivided into unit prices and any discount applied.

Article 20: Execution by third parties

- 20.1 Without prior written permission from the Client, the Contractor shall not transfer or subcontract the order, or any part of the order, nor the execution of the order to another party.
- 20.2 If the Contractor, after having obtained permission, assigns the work, or any part of the work, to a third party, the Contractor should immediately draw up a written agreement with respect to this work, of which the terms of this agreement should form part. The Contractor placing the order shall hereby take the Client's legal position and the third party that of the Contractor.
- 20.3 Transfer/subcontracting shall not affect the Contractor's obligations under the agreement with the Client.
- 20.4 All requirements set by the Client shall be flown down by the Contractor to the sub-contracted suppliers including the applicable requirements in the purchasing documents as well as the key characteristics of the required products.

Article 21: Miscellaneous

- 21.1 Force Majeure: Contractor shall not be deemed in default of any Order to the extent that any delay or failure in the performance of its obligations results from any cause beyond its reasonable control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargos, epidemic, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, strikes or terrorist attacks. In case circumstances which constitute the force majeure last for more than three (3) months, the Client shall be entitled to terminate the Order by written notice to the Contractor if no other reasonable solutions can be mutually agreed by the Client and the Contractor within another three (3) months period.
- 21.2 Client and Contractor agree to comply with all applicable laws and regulations, including but not limited to applicable export and import laws and regulations, including the International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR) requirements, governing the export of technical data and the provision of defenses services related to the Order.


Article 22: Termination without default of the Contractor

- 22.1 To the extent Client's customer cancel the Client's contract to which the Order relates, the Client may terminate in whole or in part the Order by notifying the Contractor in writing of his decision.
- 22.2 The Contractor undertakes, immediately upon receipt of such notification and as provided by said notification, to cease all related Services under the Order and shall comply with any direction which may be given by the Client concerning the Goods. The Contractor shall further ensure that the subcontractors likewise cease work and comply with any such direction. The Contractor shall make its best efforts to minimize the occurrence of further costs.
- 22.3 The Contractor shall proceed with a termination inventory in a form prescribed by the Client and send within thirty (30) calendar days following said notification for the Client review. Notwithstanding the above, the Client reserves the right to request completion of any Goods according to the terms of the PO/Contract.
- 22.4 Should the PO/Contract be terminated by the Client pursuant to this Article 22, the Contractor shall be entitled to receive termination charges in accordance with the Termination Liability Schedule, which is attached to the PO/Contract, up to the maximum amounts specified in the PO/Contract.

- 22.5 Subject to payment and mutual agreement the Client shall be the owner of the termination inventory and shall give to the Contractor proper instructions for delivery or other disposition of such inventory.
- 22.6 Where in any instance disposal instructions are given by the Client to the Contractor, the latter shall credit the Client with the proceeds of any such disposal, less any associated cost or expense to Contractor.

Article 23: Termination for Default of the Contractor

- 23.1 In the event of a material breach by the Contractor of any of its obligations under the PO/Contract and if the Contractor fails to remedy such after receipt of notice from the Client detailing such material breach, the Client shall have the right to give the Contractor written notice forthwith terminating the whole or any part of the PO/Contract, without prejudice however to existing rights and remedies already accrued to the Client by law, under the PO/Contract or otherwise.
- 23.2 The Client shall also be entitled to terminate the PO/Contract if the Contractor ceases or threatens to cease carrying on its business or shall become insolvent or if its financial position is such that legal action leading towards bankruptcy is taken against him by its creditors, or if the Contractor resorts to fraudulent practices in connection with the PO/Contract.
- 23.3 In the event of such termination, the Client shall be entitled to take any or all of the following actions:
 - a. The Client may take over such terminated work and complete or have completed the same by PO/Contract or otherwise and take possession of and utilize in completing the Goods, such materials, and work in progress, as may be necessary thereof.
 - b. Subject to the respective payment by the Client to Contractor, the Contractor shall transfer to the Client, in the manner and to the extent directed by the Client, title to and possession of (i) any completed Goods and documentation, and (ii) such partially completed Goods, supplies, materials and parts, plans and documentation, and (iii) associated Technical Data and Information related to the Goods and Documentation, to the extent any such supplies, material, parts, documentation or data were express Contract deliverables. The following provisions shall apply as it relates to this sub-section (b):
 - i. Transfers in title and possession from the Contractor to the Client under (i), (ii) and (iii) will be in accordance with the terms under Article 1 and the applicable export and import laws and regulations as per Article 21.2.
 - ii. The Contractor shall, upon the Client's request, protect and preserve such property in the possession of the Contractor in which the Client has an interest.
 - iii. Payment for completed Goods delivered to and accepted by the Client, and not previously paid for, shall be at the PO/Contract price.
 - c. Be reimbursed by the Contractor all the unearned amounts paid by the Client under the PO/Contract up to the time of termination.
- 23.4 The Contractor shall continue the performance of the PO/Contract to the extent not terminated under the provisions of this Article. In the event of a partial termination for default, the payments concerning the portion of the PO/Contract which is not terminated shall be due to the Contractor.



P. Gnemmi
Site Director