

General Purchase Conditions (A) and General Conditions for Work (B)

General purchase conditions and general conditions for work of the public limited company **Toray Advanced Composites B.V.**, registered in Almelo (the Netherlands), and all the companies affiliated to Toray Advanced Composites B.V., filed at the offices of the court in Almelo on 20-3-2008 under number 22/2008.



'TORAY'

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Toray Advanced Composites

A. General Purchase Conditions

Article 1 Scope

- 1.1 These general conditions shall apply to all enquiries, offers and agreements between Toray Advanced Composites B.V. or companies affiliated to it (hereinafter: Purchaser) on the one hand and another party on the other, relating in particular to supplies of goods to Purchaser by the other party (hereinafter: Supplier).
- 1.2 Varying from these conditions shall only be possible if the parties so agree in writing. Variations shall apply only to the agreement in question.
- 1.3 General conditions of Supplier shall not apply. Purchaser shall not agree to such conditions, except if and to the extent that their applicability has been expressly accepted by Purchaser in writing.

Article 2 Quotations; Orders; Conclusion of Agreement

- 2.1 An enquiry by Purchaser for the submission of a quotation shall in each case be without obligation.
- 2.2 A quotation by Supplier shall be irrevocable, unless Supplier has stated in writing before or at the time of the submission of the quotation that it is revocable.
- 2.3 An agreement between Purchaser and Supplier shall only become effective following written acceptance by Purchaser of a quotation by Supplier or by written confirmation of the order by Purchaser.
- 2.4 In the case of a framework agreement the agreement shall become effective whenever Purchaser places an order with Supplier in the context of the framework agreement in question.
- 2.5 As long as the intended agreement has not become fully effective in every respect Purchaser shall have the right to break off the negotiations without Supplier being entitled to any compensation of damage or costs.
- 2.6 Changes and additions to the agreement can only be made in writing.

Article 3 Tenders

- 3.1 In the case of tenders each other party wishing to submit a bid must deliver (arrange delivery of) its tender form at the address stated thereon by the time at which the tender closes at the latest, without costs for Purchaser.

- 3.2 Tender forms that have not been handed in by the time at which the tender closes at the latest shall be invalid, unless Purchaser decides otherwise by virtue of special circumstances.

Article 4 Transfer of Rights and Obligations

- 4.1 Supplier shall not transfer or subcontract the obligations arising for it from the agreement and the performance of the agreement itself, or any part thereof, to a third party without the prior written consent of Purchaser.
- 4.2 Transfer or subcontracting to a third party shall not affect the liability of Supplier for the acts and omissions of that third party and for the proper fulfilment of the agreement.

Article 5 Quality and Liability; Indemnity; Insurance

- 5.1 Supplier shall guarantee that the goods supplied conform in every respect to that which has been agreed and to the statutory requirements and other government regulations in force at the time of the supply. The goods must otherwise be of good quality and be suitable for the purpose for which they are intended and possess the properties that Purchaser should expect on the basis of the agreement.
- 5.2 Supplier shall be liable for all damage arising as a consequence of or in connection with the non-conformity of the goods supplied with the provisions in subsection 1 of this article and shall indemnify Purchaser against all claims of third parties in this regard.
- 5.3 Supplier shall not be permitted, without the prior written consent of Purchaser, to supply goods that differ from that which has been agreed.
- 5.4 Supplier shall indemnify Purchaser against all claims of third parties for compensation of damage as referred to in the previous subsection of this article.
In this connection third parties shall also include personnel of Purchaser and (legal) entities that are employed on behalf of Purchaser.
- 5.5 Supplier shall be obliged to insure itself properly against liability and risks as described in this article, which for instance shall mean that Supplier shall conclude a proper insurance providing cover against product liability. Supplier shall submit the insurance policy, the insurance conditions and the proof of premium payment to Purchaser for inspection on demand.

Article 6 Testing and Inspection

- 6.1** Purchaser shall have the right, but not the obligation, to test or inspect the goods or a portion thereof (arrange their testing or inspection) prior to delivery and/or subsequently. Supplier shall give every assistance to this free of charge and shall grant access to the place(s) where the goods are being or have been produced or stored. Supplier shall also if so required provide a suitable room for the testing or inspection free of charge.
- 6.2** In the event of rejection Purchaser shall notify Supplier in writing. This notification shall count as notice of default. Purchaser shall give Supplier, if supply is still possible and appropriate, the opportunity within a reasonable period of time even then to supply in accordance with the agreement. If by its nature or intended use supply is no longer possible or appropriate, or if Supplier fails to take advantage of the opportunity referred to in the previous sentence, or fails to supply properly, Purchaser shall have the right to dissolve the agreement as a whole or in part without further notice of default, notwithstanding the right of Purchaser to compensation.
- 6.3** If Supplier fails to give every assistance to testing or inspection, the costs resulting from this shall be for its account. If the goods are rejected by Purchaser, the costs of the testing shall be for the account of Supplier.
- 6.4** If Purchaser rejects the goods, Supplier shall collect them from Purchaser within two weeks of Purchaser informing it thereof, at its own expense, crediting the amount charged to Purchaser and repaying amounts already paid by Purchaser in this regard. If Supplier fails in the discharge of this obligation, Purchaser may, notwithstanding its other rights, arrange delivery of the goods to Supplier for the account of Supplier.
- 6.5** Notwithstanding the provisions of this article regarding testing or inspection by Purchaser, Supplier shall remain liable for all damage arising from the supply of faulty goods, even if these goods have undergone treatment or processing. Likewise if Supplier (otherwise) fails in the discharge of its obligations under the agreement, it shall be liable to Purchaser for all damage resulting from this.
- 6.6** In this connection Supplier shall also include personnel of Supplier and (legal) entities for

which Supplier is liable. Purchaser shall be entitled, if Supplier fails in the discharge of its obligations under the agreement, to dissolve the agreement as a whole or in part, notwithstanding the right of Purchaser to compensation.

Article 7 Delivery; Delivery Time

- 7.1** Deliveries, which shall include deliveries in parts, shall take place at the agreed place and the agreed time.
Unless otherwise agreed in writing, delivery shall be subject to the term "Delivered Duty Paid" (DDP), in accordance with the most recent version of Incoterms, published by the ICC (the International Chamber of Commerce).
- 7.2** If the goods have not been delivered within the agreed period of time and at the agreed place and/or the work has not been done within the agreed period of time, Supplier shall be in default without notice of default. Purchaser shall, in that case, notwithstanding the rights otherwise belonging to it, be entitled to refuse the goods to be supplied and to dissolve the agreement as a whole or in part.
- 7.3** If Supplier knows or suspects that it will not (be able to) discharge its obligations under the agreement, or not in time or not in full, it must immediately notify Purchaser accordingly in writing stating reasons.
- 7.4** Supplier shall ensure that the goods to be supplied are accompanied by all the necessary documentation, intended for the proper use of the goods, and any testing and inspection reports and warranty certificates. Supplier shall ensure that a delivery note is handed to Purchaser on delivery.
- 7.5** The risk of loss and destruction of and damage to the goods shall remain with Supplier until the goods have been delivered to Purchaser and an authorized representative of Purchaser has signed in acknowledgement of receipt.
- 7.6** Partial deliveries shall only be permitted with the prior written consent of Purchaser.

Article 8 Transfer of Ownership; Risk; Acceptance

- 8.1** The ownership of the goods supplied shall pass to Purchaser at the moment of delivery, as soon as the goods have been delivered to the agreed place of delivery.
- 8.2** In the event of rejection of the goods by Purchaser as referred to in article 6, the goods

shall remain the property of Supplier and the risk shall also be regarded as having remained with Supplier and therefore never to have passed to Purchaser. In that case Purchaser shall not be obliged to discharge its obligations under the agreement. Amounts already paid by Purchaser shall in that case immediately be repaid by Supplier.

- 8.3** Taking receipt of the goods by Purchaser shall not prevent a subsequent claim in respect of defects in the goods supplied and a claim in respect of failure in some other way of Supplier to discharge its obligations under the agreement. Processing, treatment, taking into use or onward supply of the goods shall not affect this right.

Article 9 Packaging; Transport

- 9.1** Goods supplied must have been packed properly and must be protected and transported such that they reach their destination in good condition.
- 9.2** All the costs of packaging, storage and transport of the goods shall be for the account of Supplier, unless the parties otherwise agree in writing.
- 9.3** In the case of loaned packaging this must have been clearly indicated by Supplier. In all other cases the ownership of the packaging shall pass to Purchaser at the moment of delivery. Loaned packaging can be returned by Purchaser to an address to be given by Supplier for the account and risk of Supplier. If Supplier fails to give an address, Purchaser shall be entitled to send the loaned packaging to the address of Supplier for the account and risk of Supplier. Purchaser can waive the right to acquire ownership of the packaging and require Supplier to take back the packaging. Purchaser shall also have the right at any time to return the packaging to Supplier for the account and risk of Supplier.
- 9.4** If the goods supplied have not been packed properly, Supplier shall be liable for the damage arising because of or in connection with this, including damage to the goods supplied themselves.

Article 10 ARTICLE 10 Price

- 10.1** Unless otherwise agreed in writing the prices shall be exclusive of VAT and therefore for instance inclusive of transport, loading and unloading, all import and export duties and excise duties, and inclusive of all other levies and taxes connected with the (supply of the) goods,

and inclusive of (additional) costs in connection with the performance of the agreement. Nor shall currency differences (differences in exchange rates between the time of ordering and delivering/ invoicing) have any effect on the price.

- 10.2** Changes in prices, wages, costs, social charges, taxes and other cost-increasing factors cannot be passed on to Purchaser, unless otherwise agreed in writing.

Article 11 Payment

- 11.1** Purchaser shall not be obliged to pay until after correct discharge on time by Supplier of all its obligations under the agreement. Payment can be suspended by Purchaser if Supplier has failed to discharge its obligations under the agreement, failed to do so on time or failed to do so in full. In no way shall payment by Purchaser imply waiver of right.
- 11.2** Payment shall take place within the agreed payment term following receipt and approval of the invoice of Supplier. If no other payment term is agreed, a payment term of 60 days from invoice date shall apply.
- 11.3** Purchaser shall be entitled to offset debts to Supplier with claims on Supplier.
- 11.4** If Purchaser fails imputably in the discharge of its payment obligation, it shall not be in default until two weeks have passed following receipt of a written notice of default from Supplier.

Article 12 Rights of Third Parties

- 12.1** Supplier shall guarantee Purchaser that it is entitled to transfer the ownership of the goods supplied and that there is no infringement of rights of third parties (including intellectual and industrial property rights). Supplier shall indemnify Purchaser against all claims of third parties in this regard and shall compensate Purchaser for damage suffered by Purchaser as a consequence of this and in connection with this on demand.

Article 13 Confidentiality

- 13.1** Supplier (which shall also include personnel of Supplier and third parties engaged by Supplier) shall undertake to maintain confidentiality towards third parties with regard to drawings, models, designs, diagrams and other (business) information that have been provided to Supplier in connection with the agreement and/or other

information to which Supplier is otherwise exposed and may only reproduce the said data and information and/or disclose/make them available to third parties with the prior written consent of Purchaser.

- 13.2** The obligations arising for Supplier under subsection 1 of this article shall continue even after the end of the agreement.

Article 14 Performance

- 14.1** If the goods supplied do not conform to the agreement, Purchaser can, notwithstanding the rights otherwise belonging to it, demand that Supplier even then supplies that which is missing or repair or replace the goods. The associated costs shall be for the account of Supplier.
- 14.2** If Supplier, having been given written notice to this effect by Purchaser, fails to meet a requirement as referred to in subsection 1 of this article within a period of time to be set in the notice, Purchaser can arrange for the supply, the repair or the replacement to be carried out by a third party and Supplier shall reimburse Purchaser the associated costs on demand.

Article 15 Force Majeure

- 15.1** Failures of Supplier in the discharge of its obligations under the agreement shall only be regarded as force majeure and can then only not be attributed to it if they are not its fault, nor for its account under the law, the agreement or generally accepted practice. Supplier must demonstrate that a failure is not attributable to it.
- 15.2** Force majeure on the part of Supplier shall in any event not mean: a shortage of personnel; strike action; excessive sick leave; the circumstance of Supplier failing to receive a performance that is important in connection with the performance to be delivered by itself, failing to do so on time or failing to do so properly; unsuitability of goods used by Supplier and liquidity and solvency problems of Supplier, all irrespective of the underlying cause.
- 15.3** Supplier shall have no right to invoke force majeure if the circumstance preventing (further) performance commences after Supplier should have discharged its obligation.
Where the period of time in which discharge of the obligations by one party is not possible because of force majeure lasts more than 30 days, Supplier shall be entitled to dissolve the agreement, without any obligation to pay

compensation arising in that case.

- 15.4** Even if Supplier can invoke force majeure, it must notify Purchaser of the failure and its cause in writing immediately and in any event within the period of time agreed for the discharge of the obligation concerned.

Article 16 Warranty

- 16.1** Purchaser can exercise the rights that it can derive from a failure, even if a warranty period has been agreed, if it feels that the goods do not conform to the agreement.
- 16.2** An agreed warranty shall in any event mean that Supplier will remedy any defect reported to Supplier by Purchaser as soon as possible, for the account of Supplier, including the additional costs. If Supplier has changed, repaired or replaced goods or parts thereof, the warranty shall, in this respect, again take effect for the full warranty period.
- 16.3** The provisions of this article shall not, either during or following the expiry of the warranty period, affect the rights that Purchaser can derive from a failure of Supplier.

Article 17 Dissolution

- 17.1** Any period of time agreed between Purchaser and Supplier for the discharge of its obligations by Supplier shall be a deadline, unless otherwise agreed in writing.
- 17.2** Notwithstanding all the other rights of Purchaser, Purchaser may dissolve the agreement as a whole or in part by a written statement if:
- Supplier is in default with the discharge of an obligation under the agreement;
 - the discharge by Supplier of a claimable obligation under the agreement becomes temporarily or permanently impossible;
 - any advantage has been or is offered or provided to Purchaser (which shall also include personnel of Purchaser or third parties engaged by Purchaser) by Supplier (which shall also include personnel of Supplier or third parties engaged by Supplier) if consent for this has not been expressly given in writing by Purchaser;
 - Supplier is declared bankrupt, it is granted court protection from creditors, or in the event of liquidation or business termination of Supplier; in the said cases the claims of Purchaser on Supplier shall be immediately due and payable in their entirety and Purchaser shall be entitled to suspend its obligations and/or to dissolve the

agreement as a whole or in part, notwithstanding the other rights of Purchaser.

- 17.3** Purchaser shall also be entitled in the said cases to arrange for the agreement to be performed by one or more third parties for the account and risk of Supplier.

Article 18 Settlement of Disputes; Applicable Law

- 18.1** Contrary to the statutory rules for the competence of the civil court, any dispute between Purchaser and Supplier shall be settled exclusively by the court in Almelo, the Netherlands. This shall not apply if the Subdistrict Sector of the Court is competent. Purchaser shall however at all times be entitled to submit a dispute to the court competent according to the law or the applicable treaty.
- 18.2** Any agreement between Purchaser and Supplier shall be subject exclusively to the law of the Netherlands. The applicability of the Vienna Sales Convention (CISG 1980) shall be excluded.

Article 19 Compliance with GDPR

- 19.1** Where personal data is processed in relation with all enquiries, offers and agreements between the parties, Supplier shall comply with 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, and repealing Directive 95/46/EC (General Data Protection Regulation: GDPR).
- 19.2** Supplier represents and guarantees to Purchaser that it will strictly comply with the GDPR for any processing of personal data related to all enquiries, offers and agreements between the parties.

B. General Conditions for Work

Article 20 Scope

- 20.1** These general conditions for work shall, in addition to the general purchase conditions referred to above under A., apply to all enquiries, offers and agreements between Purchaser and Supplier in relation to the rendering of services and the performance of work by Supplier for the benefit of Purchaser.
- 20.2** If and to the extent that these general conditions for work do not differ from the aforementioned general purchase conditions, the general purchase conditions shall apply mutatis mutandis.

Article 21 Performance of the Agreement

- 21.1** Supplier must perform the agreement on the agreed date/in the agreed period of time, properly and carefully and fully in accordance with the provisions of the agreement and the requirements laid down therein and with the engagement of professional and expert personnel.
- 21.2** Supplier shall only be entitled to engage third parties in the performance of the agreement with the prior written consent of Purchaser. Supplier shall, even if Purchaser has given consent for the engagement of third parties, remain fully liable for the acts and omissions of these third parties.
- 21.3** Supplier and its personnel, including third parties engaged in the performance of the agreement, shall perform the agreement subject to all statutory and other government regulations.
- 21.4** If Purchaser so requests, Supplier must provide Purchaser with a written statement of the personal details of the persons who (are going to) do the work.
- 21.5** If in the opinion of Purchaser personnel are insufficiently qualified, Purchaser shall be entitled to order the removal of that personnel.
- 21.6** Purchaser shall have the right to inspect and test all the materials and equipment used by Supplier in the performance of the agreement.

Article 22 Sites; Buildings

- 22.1** Before the start of the performance of the agreement Supplier must familiarize itself with the conditions on the sites and in the buildings of Purchaser and with the rules and regulations (including those on safety, health and environment) applying where the work under the agreement is to be done and must adhere to the provisions laid down in the said rules and regulations.

- 22.2** Supplier must ensure that performance of the agreement and the presence of Supplier and its personnel on the sites and in the buildings of Purchaser do not affect the undisturbed progress of the work of Purchaser and third parties.

Article 23 Amendment of the Agreement

- 23.1** Purchaser shall have the right reasonably to change the nature and/or extent of the services to be rendered and the work to be done by Supplier following prior consultation with Supplier.
- 23.2** If the date of completion of the performance of the agreement is affected by the change, Supplier shall notify Purchaser accordingly in writing as soon as possible.
- 23.3** If the amendment of the agreement has financial or quality consequences, Supplier must tell Purchaser about them beforehand. If a fixed price or fixed rates have been agreed, Supplier shall indicate whether, and if so to what extent, the changes will result in them being exceeded. Supplier cannot make any additional charges if the change is the consequence of circumstances that can be attributed to Supplier.
- 23.4** Purchaser shall only pay for additional work assigned by it in writing. The settlement of variations resulting in a deduction of work shall, unless otherwise agreed in writing, be decided by mutual agreement.

Article 24 Tools

- 24.1** Unless otherwise agreed in writing, Supplier must itself provide for all the tools required for the work to be done, which must be of sound quality and must conform to the relevant statutory requirements and regulations.
- 24.2** Supplier can only use tools belonging to Purchaser with the consent of Purchaser. This use shall be at the risk of Supplier and Supplier shall be fully liable for any damage that is caused by this. Supplier shall indemnify Purchaser against claims of third parties in this regard. As soon as Supplier has finished using tools belonging to Purchaser, it must return these tools to Purchaser in the condition in which it received them. Supplier shall notify Purchaser immediately of any damage to and defects in the tools and compensate Purchaser for them on demand.

Article 25 Intellectual and Industrial Property Rights; Rights of Third Parties

- 25.1** Purchaser shall become the owner of all the intellectual and industrial property rights that arise through or are a consequence of performance of the agreement by Supplier. Supplier shall give its full assistance to the acquisition of the said rights by Purchaser to the extent necessary.
- 25.2** Reports, models, drawings, etc. in which the work assigned by Purchaser to Supplier results, shall become the property of Purchaser. All the documents and information provided to Supplier by Purchaser, such as reports, advice, designs, sketches, drawings, software, etc. shall remain the property of Purchaser and may only be used by Supplier in the context of the performance of the agreement. Supplier may not reproduce, disclose or exploit the said documents and information or make them known/available to third parties without the prior written consent of Purchaser, unless Purchaser has granted prior written consent for this. Supplier shall return the said documents and information to Purchaser following the performance of the agreement and otherwise on demand of Purchaser.
- 25.3** Supplier shall guarantee that – with the performance of the agreement and through the fact that Purchaser becomes the owner of all the intellectual and industrial property rights arising from it and acquires the full and free right of use of the results of the order – there is no infringement of rights of third parties and it shall indemnify Purchaser against all claims of third parties in this regard and shall compensate Purchaser for damage suffered by Purchaser as a consequence of this and in connection with this on demand.