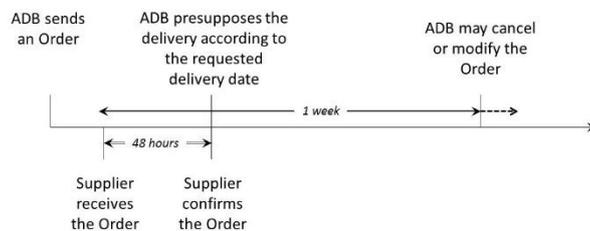


Appendix 1 - Standard Purchase Order Terms & Conditions

1 Order placement and Order Confirmation

- 1.1 ADB SAFEGATE will order products from the Supplier using a binding purchase order. The Supplier shall deliver the quantity of requested products according to the terms and conditions described in this Purchase Order. In case a product is not mutually defined by ADB SAFEGATE and the Supplier (new product, prototype, etc.), a quotation will have to be issued by Supplier and approved by ADB SAFEGATE before starting production. The purchase order will then refer to the quotation terms and conditions.
- 1.2 The Supplier will provide ADB SAFEGATE with an order confirmation within two (2) business days after reception of the purchase order. If the Supplier fails to confirm the order, ADB SAFEGATE will assume by default that the order will be delivered according to the requested delivery date.
- 1.3 ADB SAFEGATE may cancel or modify the order if the Supplier has not confirmed acceptance of the order in writing within one week of receipt, or if the terms of the confirmation vary from the terms of the order.



- 1.4 ADB SAFEGATE may cancel a confirmed order if Supplier fails to deliver the order within the promised or revised delivery lead time without any prejudice to ADB SAFEGATE.
- 1.5 In particular, ADB SAFEGATE is bound by the General Terms and Conditions of the Supplier only to the extent that these are in accordance with ADB SAFEGATE's own General Terms and Conditions or if ADB SAFEGATE agrees to such in writing. The acceptance of deliveries or services as well as payments does not constitute such agreement.
- 1.6 Any amendments or additions to the order shall only be effective if ADB SAFEGATE confirms such in writing.
- 1.7 It is the Supplier's responsibility to make the necessary arrangements (and, as the case may be, to impose such arrangements on its sub-suppliers) ensuring continuous supply within agreed delivery times also (i) during holiday seasons and national holidays as well as (ii) in the run-up to such periods and (iii) in the time immediately following such periods.
- 1.8 ADB SAFEGATE and Supplier acknowledge that they are entering into a long term partnership built on good service and quality performance where trust and respect are key ingredients in the relationship. Both Parties are committed to a philosophy of total Buyer satisfaction and have entered into this Agreement with the intention of giving the Buyer and its customer(s) the best possible service, raising the level of quality and reducing the total cycle time along the entire supply chain, for the mutual benefit of the Parties. This means, in particular, the Parties aim to focus on and to strive for continuous compliance with and improvements in the following areas: Deliveries in time, to the right place with right quantity and highest quality at the lowest cost, pro-activity, inventory reduction, quality improvement, material handling, lead time reduction, cost reduction, warranty ratio and technical cooperation, respecting and following international and local standards and laws, protection of our environment with a sustainable long term approach, corporate social responsibility, working at all levels work against all kinds of corruption, continuously improvement of products and production during its life time, manage procurement of component and material according to specification, continuous management of

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obsolete components and offering of alternatives (EOL), fulfillment of the requirements and certification according to ISO 9001, the use of approved sub-suppliers complying with the above.

2 Rights of Use

- 2.1 The Supplier hereby grants ADB SAFEGATE the following non-exclusive, transferable, worldwide and perpetual rights:
- 2.1.1 to use the deliveries and services, to integrate them into other airfield lighting products and to distribute them worldwide;
 - 2.1.2 to use or allow others to use software and its related documentation (hereinafter collectively referred to as "Software") in connection with the installation, launch, testing and operation of the Software;
 - 2.1.3 to sublicense the right of use to affiliates or to other distributors and end customers;
 - 2.1.4 to license affiliates and other distributors, to sublicense the right of use under section 2.1.2 above to end customers;
 - 2.1.5 to use the Software for integration into other products and to copy the Software, or to allow affiliates or other distributors to use and copy the Software;
 - 2.1.6 to distribute, sell, hire out, lease, make ready for download or make publicly available the Software, e.g. in the context of Application Service Providing or in other contexts, and to copy the Software to the extent required, always provided that the number of licenses being used at any one time does not exceed the number of licenses purchased;
 - 2.1.7 to sublicense the right of use under section 2.1.6 above to affiliates and other distributors.
- 2.2 In addition to the rights granted in section 2.1 above, ADB SAFEGATE, affiliates and other distributors are authorized to allow end customers to transfer Software licenses.
- 2.3 All sublicenses granted by ADB SAFEGATE must contain appropriate protection for the intellectual property rights of the Supplier in the Software. All sublicenses must contain any contractual provisions used by ADB SAFEGATE to protect its own intellectual property rights.
- 2.4 The Supplier is obliged to inform ADB SAFEGATE - at the latest at the time the order is confirmed - whether the products and services to be delivered contain "open source software". In the context of this provision "Open source software" is the software that is licensed royalty-free and which may be adapted by a user and/or licensee or third party and/or which must be disclosed in source code form. Should the products and services delivered by the Supplier contain open source software, the supplier must deliver to ADB SAFEGATE at the latest at the time the order is confirmed the following:
- 2.4.1 The source code of the relevant open source software, insofar as the applicable open source conditions require the disclosure of this source code.
 - 2.4.2 A schedule of all open source files used, indicating the relevant license and including a copy of the complete text of such license
 - 2.4.3 A written declaration that through the intended use of the open source software neither the products of the Supplier nor the products of ADB SAFEGATE will be subject to a "Copy left Effect". In the context of this provision, "Copy left Effect" means that the provisions of the open source license require that certain of the Supplier's products, as well as any products derived from these, may only be distributed further in accordance with the terms of the open source license e.g. only if the source code is disclosed.

Should the Supplier not indicate until after receipt of the order that its products and services contain open source software, then ADB SAFEGATE is entitled to cancel the order within 14 days of receipt of this information and provision of all the information contained in the above paragraph.

3 Term and Penalty for Breach

- 3.1 For the purposes of establishing the timeliness of delivery or rectification, the relevant point in time is the date of receipt at the place of receipt designated by ADB SAFEGATE, and for deliveries involving installation, commissioning or rectification services, the relevant point in time shall be the date of acceptance.

- 3.2 Where any delay in delivery or performance or rectification can be anticipated, ADB SAFEGATE shall be notified immediately and its decision sought.
- 3.3 If - in the event of delay - the Supplier cannot prove that he is not responsible for the delay, ADB SAFEGATE may charge a penalty in respect of each commenced working day of delay amounting to 0.3% per working day but not exceeding a total of 5% of the total value of the order. In the event that the appropriate reservation of rights is not made at the time of acceptance of delivery, services or rectification, this penalty may be claimed up until the date of final payment.

4 Transfer of Risk, Dispatch and Place of Performance

- 4.1 For deliveries involving installation, commissioning or services, the transfer of risk occurs on acceptance and for deliveries not involving installation or commissioning, the transfer of risk shall be upon receipt by ADB SAFEGATE at the designated place of receipt.
- 4.2 Unless otherwise agreed, the costs of delivery and packaging shall be borne by the Supplier. For pricing ex-works or ex-warehouse of the Supplier, transport shall in each case be at the lowest possible cost, insofar as ADB SAFEGATE has not requested a particular method of delivery. Any supplementary costs arising from non-conformity with the transport requirements shall be borne by the Supplier. Where the price is quoted free to the recipient, ADB SAFEGATE may also determine the method of transportation. Any supplementary costs arising from the need to meet the delivery deadline by way of expedited delivery (e.g. parcel service, airfreight) shall be borne by the Supplier.
- 4.3 Each delivery shall include a packing note or delivery note with details of the contents as well as the complete order number. Notice of dispatch shall be provided immediately with the same information.

5 Invoices

The order number as well as the number of each individual item shall be detailed in invoices. Insofar as any such details are omitted, invoices shall not be payable. Copies of invoices shall be marked as duplicates.

6 Payment

- 6.1 Unless otherwise agreed, payments are to be made within 60 days due net.
- 6.2 The period for payment shall commence as soon as any delivery or service is completed and a correctly issued invoice is received. Insofar as the Supplier is required to provide material testing, test records or quality control documents or any other documentation, such shall be a part of the requirements of the completeness of the delivery or performance. A discount shall also be allowed if ADB SAFEGATE sets off or withholds any payments to a reasonable extent on account of any efficiency. The period for payment shall commence after the complete rectification of any deficiency.
- 6.3 Payment does not constitute an acknowledgement that the corresponding delivery or services were provided in accordance with the Contract.
- 6.4 In case of discrepancy between purchase order and the related invoice, ADB SAFEGATE will notify the Supplier in writing within one calendar month.

7 Inspection upon receipt

- 7.1 ADB SAFEGATE shall immediately upon receipt examine whether a delivery corresponds to the quantity and type of products ordered and whether there are any external recognizable transportation damage or other deficiencies.
- 7.2 Should ADB SAFEGATE discover any deficiency in the course of these inspections, it shall inform the Supplier of such deficiency. Should ADB SAFEGATE discover a deficiency at any later stage, it shall also notify the Supplier.

- 7.3 Complaints may be raised within one month of delivery of a product or performance, and insofar as deficiencies are not discovered until commissioning, processing or first use, within one month of detection.
- 7.4 In this regard ADB SAFEGATE shall have no other duties to the Supplier other than the duties of inspection and notification above.

8 Warranty

- 8.1 If deficiencies are identified before or during the transfer of risk or during the warranty period provided for in section 8.7 or 8.8, the Supplier must at its own expense and at the discretion of ADB SAFEGATE either repair the deficiency or provide re performance of services or replacement of deliveries (= rectification). This provision also applies to deliveries subject to inspection by sample tests. The discretion of ADB SAFEGATE shall be exercised fairly and reasonably.
- 8.2 Should the Supplier fail to rectify (i.e. repair or replacement) any deficiency within a reasonable time period set by ADB SAFEGATE or as defined in the Agreement, ADB SAFEGATE is entitled to: cancel the contract in whole or in part without being subject to any liability for damages; or demand a reduction in price; or undertake itself any repair at the expense of the Supplier or re-performance of services or replacement of deliveries or arrange for such to be done; and claim damages in lieu of performance.
- 8.3 ADB SAFEGATE may rectify any deficiency at the expense of the Supplier if ADB SAFEGATE has a strong particular interest in immediate rectification in order to avoid any liability of its own for delay or for other reasons of urgency and it is not reasonable for ADB SAFEGATE to request the Supplier to rectify the deficiency within a reasonable time period.
- 8.4 The above-mentioned right can be executed during the warranty period set out in this section. The application of clause 8.4 does not affect additional or other statutory rights.
- 8.5 If the Supplier provides subsequent performance/replacement or repairs, the warranty periods set out in section 8.7 and 8.8 shall begin to run once again.
- 8.6 The Supplier shall bear the risk related to the return of deficient products. All established costs, losses, damages incurred by ADB SAFEGATE, due deficient products, will be borne by Supplier.
- 8.7 The warranty period for material deficiencies is two years, insofar as no statutory provisions provide longer periods.
- 8.8 The warranty period begins to run with the transfer of risk (see section 4.1). Upon delivery to locations where ADB SAFEGATE is operating outside its premises, the warranty period begins with the acceptance by the end customer, in no case later than one year after transfer of risk.

9 Intellectual Property Rights

It is essential that the products and/or services are delivered free of any third party rights. The Supplier therefore warrants that it holds all the intellectual property rights including, but not limited to, copyright, patents, design rights, and trademarks in the products and/or services which are necessary for the Buyer to be able to fulfil its undertakings to its customer. The Supplier further warrants that he holds all rights to all of the product specifications. In the event a third party brings a claim against ADB SAFEGATE asserting that the manufacture of a product constitutes an infringement of a third party's intellectual property rights, the Supplier shall indemnify and hold ADB SAFEGATE harmless for any and all such claims.

Supplier is under a duty to verify title and inform ADB SAFEGATE without undue delay of any possible conflicting industrial and intellectual property rights. Any breach of such duty is subject to the normal statutory limitation period.

10 Subcontracting to Third Parties

Subcontracting to third parties shall not take place without the prior written consent of ADB SAFEGATE and entitles ADB SAFEGATE to cancel the contract in whole or in part and to claim damages.

11 Provided Material

- 11.1 Material provided by ADB SAFEGATE remains the property of ADB SAFEGATE and is to be stored, labeled and administered separately. Their use is limited to the orders of ADB SAFEGATE only. The Supplier shall supply replacements in the event of reduction of value or loss, for which Supplier is responsible, even in the event of simple negligence. This also applies to the transfer of allocated material.
- 11.2 Any processing or transformation of the material shall take place for ADB SAFEGATE. ADB SAFEGATE shall immediately become owner of the new or transformed product. Should this be impossible for legal reasons, ADB SAFEGATE and Supplier hereby agree that ADB SAFEGATE shall be the owner of the new product at all times during the processing or transformation. The Supplier shall keep the new product safe for ADB SAFEGATE at no extra cost and in so doing exercise the duty of care of a merchant.

12 Tools, Patterns, Samples, Confidentiality etc.

- 12.1 Any tools, patterns, samples, models, profiles, drawings, standard specification sheets, printing templates and materials provided by ADB SAFEGATE, as well as any materials derived there from, shall not be made available to any third party nor used for any other purpose than those contractually agreed except with the prior written consent of ADB SAFEGATE. Such materials shall be protected against unauthorized access or use. Subject to any further rights ADB SAFEGATE may demand that such materials be returned if the Supplier breaches these duties.
- 12.2 The Supplier shall not make available to any third party any information obtained from ADB SAFEGATE if such information is not already general knowledge or has not been lawfully obtained by the Supplier. Insofar as ADB SAFEGATE agrees to any subcontracting to a third party, such third party shall agree to such terms in writing.

13 Claims

The Supplier will inform ADB SAFEGATE in writing whenever a claim, related to these terms and conditions, will be submitted before any authority.

14 Inability to Pay / Insolvency of the Supplier

Should the Supplier cease to make payments, or if an interim insolvency administrator is appointed or if insolvency proceedings are commenced in relation to the assets of the Supplier, ADB SAFEGATE may terminate the contract and/or any purchase orders issued there under. In the event of termination ADB SAFEGATE may continue to utilize existing facilities, deliveries or services already performed by the Supplier in exchange for reasonable payment.

15 Code of Conduct for ADB SAFEGATE Suppliers

The Supplier is obliged to comply with the laws of the applicable legal system(s). In particular, the Supplier will not engage, actively or passively, nor directly or indirectly in any form of bribery, in any violation of basic human rights of employees or any child labor. Moreover, the Supplier will take responsibility for the health and safety of its employees, the Supplier will act in accordance with the applicable environmental laws and will use best efforts to promote this Code of Conduct among its suppliers.

In addition to other rights and remedies ADB SAFEGATE may have, ADB SAFEGATE may terminate the contract and/or any purchase order issued there under in case of breach of these obligations by the Supplier. However, provided that Supplier's breach of contract is capable of remedy, ADB SAFEGATE's right to terminate is subject to the proviso that such breach has not been remedied by the Supplier within a reasonable grace period set by ADB SAFEGATE.

16 Export Control and Foreign Trade Data Regulations

The Supplier shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations"). Supplier shall advise ADB SAFEGATE in writing within two weeks of receipt of the order - and in case of any changes without undue delay - of any information and data required by ADB SAFEGATE to comply with all Foreign Trade Regulations in case of export and import as well as re-export, including without limitation:

- all applicable export list numbers, including the Export Control Classification Number according to the U.S. Commerce Control List (ECCN)
- the statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding
- the country of origin (non-preferential origin); and - upon request of ADB SAFEGATE- Supplier's declaration of preferential origin (in case of European suppliers) or preferential certificates (in case of non- European suppliers).
- Supplier shall be liable for any expenses and/or damage incurred by ADB SAFEGATE due to any breach of the obligations according to 16.1, unless Supplier is not responsible for such breach.

17 Blanket Order Provisions

In the event of any blanket orders issued by Supplier, the following terms shall apply in addition:

Buyer will issue once a year a blanket purchase order to Supplier for dedicated, high-runner components. The quantity of this blanket order corresponds approximately to one year forecasted consumption by Buyer. Supplier will deliver the requested quantity upon successive call off purchase orders from Buyer. Every call off purchase order will mention the linked blanket order reference.

To secure short lead times of maximum 4 working weeks the Buyer and Supplier agree on a target Stock quantity corresponding typically to 30% of the blanket order quantity. Those quantities are mentioned on the blanket order. It is the responsibility of Supplier to keep the Stock at his target level at all time.

Buyer and Supplier agree on standard minimum calling order. Calling order quantities shall always be a multiple of the rounding quantity.

Buyer provides Supplier once a month a non-binding 6 months rolling forecast of the requested monthly quantity to be delivered to Buyer.

In the case of contract termination due to Supplier, Buyer has no obligation to call the remaining quantity of the blanket order.

Buyer will only be responsible for the customer-dedicated-stock of raw materials needed to produce the indicated yearly quantity mentioned in the blanket order, being understood that such responsibility decreases correspondingly with the decrease of the remaining quantity to be called off under the relevant blanket order. Further, Buyer is responsible for the consumption of the 30% (of initial blanket order quantity) buffer stock of finished products unless the remaining blanket order quantity to be called off falls below 30% of the initial blanket order quantity in case of which Buyer shall consume the entire remaining finished goods quantity. Buyer commits to complete consumption (within the limits as defined in the preceding two sentences) within 24 months falling from the blanket order date.

Supplier assumes the risk of loss or deterioration of all Products.

Supplier will be insured against damage, vandalism, accidents, fire, theft and loss on the Products.

Buyer has the right to inspect the blanket order stock at any time, provided that Buyer advises Supplier two business days in advance and that the number of inspections does not exceed four per year.

Supplier shall at all times be entitled to purchase the components and materials which are necessary for the production of products according to the agreed lead time. In respect of components and materials which have a longer lead time or which preferably should be purchased in certain batch sizes or quantities, the Supplier must obtain Buyer's prior consent to such purchases.

If there are any adjustments made to the product specification and/or the rolling forecast which may render components obsolete (i.e. no longer used as part of the product) ("**Obsolete Components**"), the Supplier shall first attempt to re-sell such Obsolete Components to the relevant subcontractor and so seek to minimize the effect on the Buyer. Notwithstanding the aforementioned, the Buyer shall at all times compensate the Supplier for direct costs incurred by the Supplier in respect of such Obsolete Components (whereupon direct costs shall be deemed to equal the Supplier's purchasing costs and agreed materials cost mark-up).

18 Reservation Clause

ADB SAFEGATE's obligation to fulfill this Agreement is subject to the proviso that the fulfillment is not prevented by any impediments arising out of national and international foreign trade and customs requirements or any embargos or other sanctions.

19 Supplementary Provisions

Insofar as the provisions of these Purchase terms and conditions do not regulate certain matters, relevant statutory provisions shall apply.

20 Applicable Law and Place of Jurisdiction

Belgian law shall apply, excluding the provisions of the United Nations Law on the Sale of Goods of 11.4.1980. Any controversy between the Parties, if not solved by amicable negotiations within 45 days upon notice of disagreement, shall be settled exclusively by the courts of Brussels, Belgium.