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GENERAL PURCHASING CONDITIONS

GRUPO ADC (ADC INGENIERIA AEROESPACIAL Y NUEVAS TECNOLOGIAS Y FLAVIA AERONAUTICA)

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CONDICIONES GENERALES DE COMPRAS


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CHANGE RECORD

ED	DATE	SEC	PAG	CHANGE DESCRIPTION
a	20/08/2019			INITIAL ISSUE
b	23/09/2019	16	5	SENSITIZATION AND TREATMENT IN RELATION TO PREVENTION FALSE PARTS IS REINFORCED
c	19/11/2019			ADC AND FLAVIA DESCRIPTION AS A GROUP AND AN ORGANIZATION
d	24/10/2021			COMPANY MAKEOVER
E	15/03/2024	22-23	8	EXTENSION OF THE QUALITY AND ENVIRONMENTAL PROTECTION POLICY
F	14/11/2024		1	ADDRESS UPDATE

COMPLETED BY

APPROVED BY

	
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1. GENERALITIES

- 1.1. General Purchasing Conditions (from now on GPC) described below, link to ADC INGENIERIA AEROSPACIAL Y NUEVAS TECNOLOGÍAS SLU and FLAVIA AERONAUTICA, with the supplier with whom the supply or service is included. Hereinafter, we refer to the Organization, to indicate any of the companies that are included in ADC Group
- 1.2. These GPC are at all times an integral part of the purchase agreement and are applicable to all subsequent purchase contracts without the need for separate notification of said applicability.
- 1.3. The acceptance of these CGP, duly signed, must be sent to the Organization within a maximum period of 5 calendar days from the date of receipt. However, the submission of an offer to the Organization implies the acceptance of these CGCs by the bidder.
- 1.4. Any exception to these CGP by the supplier, only is valid if it has been formulated in writing prior to the acceptance of the order and accepted by the Organization.
- 1.5. In case of contradiction between the particular conditions of purchase, the GPC and the supply contract, the supply contract signed between the parties prevails first; subsequently, the particular conditions agreed in writing and, finally, the present general conditions.

2. REQUEST FOR QUOTATION

- 2.1. The request for an offer by the Organization does not constitute any contractual relationship and does not entitle any obligation with respect to a sales agreement
- 2.2. In the Request for Quotation is indicated the Particular Purchase Conditions adhere to supply as well as the product technical specifications, in case that these will be necessary.

3. OFFERS AND AWARDING

- 3.1. The offers must have a minimum period of validity of 90 calendar days from the date of its receipt by the Organization.
- 3.2. The supplier provides Intrastat code or customs code, if this is applicable, in the offer of quoted supply.
- 3.3. The Organization is free to decide the offer that, at its discretion, it always deems most convenient. The formalization of the award is made through the corresponding order.

4. ORDERS

- 4.1. The Organization is not responsible for orders place orally and not confirmed un writing.

- 4.2. The works, products, scopes or deadlines indicated by the Organization in the specification/request for quotation are considered indicative and does not constitute any commitment.
- 4.3. Once the written order has been sent by the Organization and accepted by the supplier, the terms included in these constitute the total agreement between both. Failure to comply with some of the stipulated aspects, in addition to the relevant legal actions, may result in the payment of damages caused by the supplier and the cancellation of the works.
- 4.4. The orders must include as minimum:
 - a) Product or service description
 - b) Quantity
 - c) Unit price and total amount
 - d) Place and delivery date
 - e) Conditions and payment method, including currency
 - f) Shipping conditions
 - g) Supplier Identification
 - h) Offer reference

5. ORDER ACCEPTANCE

- 5.1. The acceptance of the order must be made by acknowledgment of receipt by the supplier, in writing and within 48 working hours after it is sent.
- 5.2. Any incident or indeterminacy that were identified by the supplier in our purchase order must be communicated as soon as possible and the Organization will be the only responsible in take decisions about the corrective and/or preventive actions.

6. ORDERS MODIFICATIONS

- 6.1. The Organization has the right to, at any moment, to make changes in the orders. If the Organization requests a change, the supplier must communicate, within 48 working hours following the request, any variation that may result in the conditions offered. If the Organization agree with, the modification will be signed. Any modification ever minor, is included in a new issue of the order.
- 6.2. In case that the supplier detects any mistake in the order, it must indicate it to the Organization within a maximum period of 48 working hours with the aim that the relevant modifications are included in the document.



- 6.3. The supplier must verify technical documentation, being able to request changes, incorporation of new regulations, clarifications or complementary information that he considered necessary for the realization of the work.
- 6.4. Any change in the product or service definition, including the concessions of the non-conforming products must be approved by the Organization and, if it is applicable, our customer. The supplier must communicate to the Organization any process change, product or service changes, including the changes of his external suppliers or the production place.

7. SUBCONTRACTING

- 7.1. The supplier may not assign or negotiate in any way any part or all of the contract signed without the prior written consent of the Organization in which the parties are indicated the parts of the order / contract to be made by the subcontracted company. The parties subcontracted by the supplier to third parties can never exceed 50% of the order, unless expressly agreed between the parties. In no case can the supplier subcontract the partial execution of the order / contract with people / companies affected by bankruptcy or unable to contract.
- 7.2. The supplier must transmit to the subcontracted company the content of the contractual documentation necessary to perform the work. The supplier assumes in any case the total responsibility towards the Organization for each one of the operations carried out by the subcontracted companies.

8. ADVANCE OR EXCEEDS

- 8.1. The Organization can accept or return any advance or order exceed, according described therein, as dates and quantities. If the option is the return, the supplier pays for the expenses. If, on the other hand, the Organization accepts the supply, this does not imply the modification of the payment obligations that will become effective as described in the order.

9. DELIVERY, RECEPTION, INSPECTION AND ACCEPTANCE

- 9.1. The products delivery must be done in the date, place and conditions accorded in the order. These conditions are not modified unless the Organization writing authorization. The supplier is obliged to meet the final delivery date and the partial delivery dates set therein.
- 9.2. All package, boxes or parcels must be properly packed properly protected and labelled for transport, conservation and storage.
- 9.3. The supplier is responsible of the damages due to shock oxidation, etc., attributable to incorrect product protections. In addition, the supplier must assume all extra cost that will be derived by a defective or incorrect packaging as well as improper handling or transportation.

- 9.4. The supply not accompanied by a delivery note that contains a part list delivered, quantity and the Organization order number will be considered as not acceptable. If it is applicable, each supply must be served with the certificates, inspections and required controls, each one of which must indicate the description of the part, purchase order and a related delivery note.
- 9.5. When the merchandise to be delivered is considered "dangerous merchandise", it must be duly identified.
- 9.6. For orders abroad, the commercial terms included in the Incoterms (International Rules for the Interpretation of Commercial Terms) apply.
- 9.7. The Organization reserves the right to refuse merchandise by simple letter, email or fax, due to breach of delivery conditions.
- 9.8. Goods reception is done reserved the right to verify that the same does not present deficiencies and specially is correct and completed. When the verification is done, the identified defects will be object of claim from the Organization to the supplier.
- 9.9. Any product rejected by the Organization for not complying with contractual requirements, can be returned with freight collect to the supplier, in that case the supplier is obliged to replace it with products that meet the contractual requirements, in the shortest possible time agreed with the buyer and freight collect unless the buyer of contrary instructions.
- 9.10. The buyer is reserved the right to inspection every subcontracted product in the place where these have been manufactured and /or storage. The supplier accepts pay for any test or inspection which prove that products or services inspected are not conform with the order.
- 9.11. For this purpose, the Organization and its client or representatives always have free access, during the period of execution of the works, the facilities of the supplier and the company subcontracted by it, if applicable, where exactly the works are.
- 9.12. The inspection or payment of any shipment by the buyer does not mean acceptance of them. Goods are not accepted by the Organization until its service of quality inspection has verified that the supply is in accordance with the establish requirement contractually.
- 9.13. If a term of 15 days from delivery date of the goods have passed and the supplier does not receive any notification from the Organization, it is assumed the supply acceptance excepting force majeure duly accredited by the Organization.



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10. PRICES

- 10.1. The agreed prices are fixed for all purposes and remain unchanged by the supplier, without being subject to revision or variation, unless the parties expressly agree otherwise.
- 10.2. If there is any approval by the Organization, whereby the supplier can carry out a price revision, it cannot be applied in any case to those deliveries outside the agreed period for reasons not attributable to the Organization.
- 10.3. Notwithstanding others, the Organization reserves the right to deduct from any outstanding payment, any claim related to the product that applies in this or other orders.
- 10.4. Within the prices, unless otherwise indicated, shipping and packaging will be included.

11. TAXES

- 11.1. In the case of national materials and or equipment's, VAT is paid exclusively by the Organization, or any other tax that in the future could be established in substitution of the same. In the case of foreign materials and / or equipment, taxes are paid as follows:
 - a) Foreign supplier pays for the expenses of all taxes, fees and obligations of the countries of the goods origin and of those through which the goods circulates until its delivery at destination, as well as the taxes that may be charge in Spain from the benefits that are obtained from corresponding sale.
 - b) Buyer pays for taxes expenses, VAT and other official customs clearance costs
- 11.2. The parties commit themselves mutually to fulfil all requirements and procedures and deliver all documentation that is necessary for the correct settlement of taxes and the payment of the corresponding invoices.

12. BILLING AND PAYMENT CONDITIONS

- 12.1. Invoices must deliver (original and one copy) unless otherwise indicated, to Financial Department (administracion@adc-solutions.net), at date that works finalize and/or the supply is sent to address indicated in the order.
- 12.2. Supplier must make an invoice for each order indicating in the invoices the order number, valid contractual amount or if applicable, the amount of all previous invoices.
- 12.3. In addition, it will include the withholding to make by the Organization, value-added tax and account details.
- 12.4. Billing of concepts that are not explicitly indicated in the order is not supported.

- 12.5. Until corresponding endorsement of invoices for administration part is not completed payment is not made. The endorsement includes to confirm the product acceptance and delivery period.
- 12.6. The Organization establishes as usual payment method the confirming/transfer to 90 days invoice date. In case of according to other different payment method with the supplier it must be in writing to be applicable. In general terms, payment days are 10 and 25 of each month. Currency and payment term will be indicated in the orders.
- 12.7. The payment does not imply in any way that the Organization considers the contractual provision correctly made by the supplier and renounces the rights that may corresponds to the supplier.

13. INDUSTRIAL AND INTELLECTUAL PROPERTY

- 13.1. The supplier guarantees to the Organization and is obliged to document before it, if required, that it has the registries, patents, copyright, design rights, licenses, authorizations registries, and other industrial and intellectual property rights necessary for the realization of whatever is the subject of a contract.
- 13.2. In the case that, due to the fault or negligence of the supplier, and as a result of the lack of any of the licenses referred to in the preceding paragraph, the Organization is in any way harmed or hindered in the use of the products subject to purchase, the supplier:
 - a) Compensate and keep unharmed the Organization to any claim by third parties.
 - b) Pay the Organization for damages and losses that occur.
 - c) Pay a penalty equivalent to the full amount of the contract subject to supply.
- 13.3. In this case, in addition to committing to the aforementioned compensation, the supplier insured through commitments with the interested parties, the free use by the Organization and its customers of the affected products. If this is not possible within a period acceptable to the Organization, the supplier will offer another product free of encumbrances and that it could fulfil, in the Organization 's judgment, with the initial purpose of the good object of the order.
- 13.4. All those goods, which are owned by the Organization or its customer and that are subject for hire to the supplier for the execution of the works, are under the complete responsibility of the supplier until their return to the Organization.

14. PROPERTY TITLE AND RISK

- 14.1. If the production work of any kind of supply integral to investigation or development labours, which are performed by the Organization total or partially, all resultant rights revert to themselves.



14.2. The property title of the products and its risks will be transferred to the Organization at the time of delivery to its facilities, unless the parties agree otherwise in writing. The transfer of the property title does not constitute an acceptance of the system by the Organization.

14.3. In the event that the Organization rejects any product, the title and the risk on the product will return to the supplier, except in the case where any payment has been made, so that the title will only return to the supplier when the buyer has been reimbursed totally for said payment.

15. PENALTIES TO SUPPLIER

15.1. Unfulfillment by the supplier of the delivery dates or the execution periods, so much partial as to final, will be sanctioned according to:

a) When there is no specific agreement in that regard nor do specific sector laws or regulations prevail, non-compliance with the terms of delivery (Final reception) will imply financial compensation in the Organization favour of 2.5% of the order total amount for each week delayed.

b) Given these supply problems, the Organization may opt for the cancellation of the order and may even return partial deliveries that have been made.

15.2. If the delays in the expected deadlines and accorded were influence by lack of information or appropriate and necessary documentation or raw materials supply, the supplier should inform in writing to the buyer to analyse the effects that this could have as on delivery times much as in your own internal planning. In this case, the supplier is obliged to put the necessary means to recover the possible delay, the new planning being agreed by both parties.

15.3. The delivery period may be postponed as long as the causes of the delay have lasted, although for delays longer than one month, the Organization will have the right to cancel partially or totally the order without additional obligations for them.

15.4. If the supplier refused or could not do on their own the necessary to finish the work within the agreed term, under the contracted conditions, the Organization may execute them directly with its own means or through a third party, charged to the outstanding amounts of payment to the supplier, and can also claim from the supplier the amount not covered with the previous amounts.

15.5. The supplier agrees to indemnify and exempt the Organization from any responsibility, against any claims, costs, damages, responsibilities, expenses arising from personal injury, death, or loss or damage to property and financial losses (including all legal expenses and penalties) caused by whatever was the direct result of the acts or omissions of the supplier.

16. GUARANTEES AND RESPONSABILITY FOR THE PRODUCT AND/OR SERVICE

16.1. The supplier will provide a minimum guarantee period of 2 years following the date of supply delivery. During the guarantee period, the supplier will assume followings commitments:

a) Supplies will be free of design defaults, if it were made by the supplier.

b) The supplier guarantees that all products are new and original and do not contain any used or reconditioned parts, or any counterfeit items.

c) The supplies will be free of any defect in materials and / or workmanship and will be free of any tax and / or economic or financial charges.

d) During this warranty period, the supplier undertakes to replace and / or repair the defective products and to perform additional services to obtain the result in accordance with the corresponding purchase order, at no cost to the Organization. In the case of not complying with the necessary work and / or activities, the Organization will execute the necessary actions or entrust them to third parties, at the expense of the supplier, without prejudice to the claim of damages that may exist in law.

e) After notification of any default by side of buyer, the supplier must response in a period of 48 hours. (Any response after said 48-hour period must be duly justified)

f) The supplier promises to send the spare parts, at a reasonable price, at least for 5 years and at the request of the Organization. If the elements are not available when requested during this period, the supplier undertakes to offer an alternative part and/or repair the part and to ensure the proper functioning of the system.

g) In cases of repair or replacement of the product, the supplier must provide the Organization with a receipt stating the date of delivery and the defect that the product has.

h) The guarantee period is extended in the time that is used to make the adjustments, tasks, repairs or substitutions that in each case must be made, which are guaranteed in turn, from its termination, for a time equal to the period of guarantee.

i) In case of provision of services (repairs in general, maintenance, conditioning, cleaning ...) the warranty period will be 30 days, following which at the conclusion of the service. The warranty period will be suspended for as many days as it is used to correct the service defect. During this period, the provider will be obliged to correct the deficiencies and replace the materials and products used, at no charge to the Organization.

16.2. The supplier also guarantees that the products are duly approved and comply with the applicable regulations in force and, in particular, with all those related to product safety, thereby committing themselves to indemnify, defend and keep the



Organization harmless against any demand, claim, expense, responsibility, sanction, loss, cost and damage, including attorneys' fees, which he may incur in relation to the products supplied.

- 16.3. The supplier assumes full responsibility for loss or deterioration of property owned by the Organization that is temporarily in its possession, whether for manipulation, transport, custody or for any other reason and is obliged to provide documentary proof before it, if required, which has the appropriate insurance policy to cover all possible damages.

17. RESOLUTION

17.1. The following will be causes for termination of the contractual relationship:

- a) The death or incapacity of the supplier or the extinction of the legal personality of the provider company.
- b) The mutual agreement between the parties.
- c) The transformation, merger, absorption, global assignment of assets and liabilities or division of the supplier company.
- d) The supplier's breach of contractual requirements.
- e) The verification by the Organization of any omission or breach of the fiscal, Social Security or occupational risk prevention regulations or the non-presentation, in a timely manner, of the documents and / or certificates that prove compliance with said regulations.
- f) The bankruptcy of the provider, the acceptance of the request for suspension of payments, appointment of trustees or auditors and any other situation that could question the solvency of the provider.

18. FORCE MAJEURE

- 18.1. Causes of force majeure are considered with enough entity to relieve the parties of the fulfilment of the contractual obligations for the duration of the same, only those indicated in ART. 1.105 of the Civil Code. In case of force majeure, the affected party notifies the other in writing, within a period of 5 business days.
- 18.2. The parties jointly decide the measures to be taken and, if the situation or consequences derived from force majeure continue for more than 20 consecutive days or forty alternate days from the event of force majeure without the parties reaching an agreement, any of them can resolve the contract under the principle that neither party is responsible.
- 18.3. The termination of the cause of force majeure is notified immediately to the other party for whom it has claimed its existence. Within three calendar days after the termination

of the force majeure, the parties meet to agree and record the effect that the situation has caused. The agreement extends an amendment or notification of change, signed by both parties, the modified contractual conditions.

19. JURISDICTION

- 19.1. The parties try to resolve in a friendly way all the questions related to the interpretation and fulfilment of the present General Purchasing Conditions.
- 19.2. In the case of the parties could not resolve in a friendly manner any litigious issues that may arise from this document, they are submitted to the institutional arbitration of the MADRID'S COMMUNITY ARBITRAL COURT, which is responsible for the appointment of the arbitrator and the administration of the arbitration.

20. LABOURS RISKS PREVENTION

- 20.1. The supplier must fulfil the dispositions of General and Autonomous Regulations regarding Labour Risk.

21. PROTECTION OF PERSONAL DATA

- 21.1. The provider undertakes to keep the maximum reservation and secrecy about the information classified as confidential. Confidential Information is any information provided verbally or in writing by the buyer, of any kind that the supplier accesses by virtue of their contractual relationship.
- 21.2. The supplier undertakes, after the termination of the contractual relationship, for any reason, not to keep any copy of Confidential Information, being returned to the buyer at that time in his possession. The confidentiality obligations set forth herein have an indefinite duration, remaining in force after completion.
- 21.3. The supplier informs its staff, its suppliers and other collaborators that it may have, of the obligations set forth in this confidentiality document, and ensures compliance with such obligations, assuming the consequences and responsibilities arising from the possible breach.
- 21.4. This clause does not affect information that, prior to the execution of the order, has reached the public domain.
- 21.5. Failure to comply with any of the obligations set forth herein, by any of the parties will make it liable, and must assume its responsibilities vis-à-vis the other party, the affected party and the possible disciplinary proceedings of the Spanish Agency for Data Protection.



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22. QUALITY POLICY

- 22.1. The supplier will be obligated to develop, apply and comply with a Quality Management System compliant with UNE-EN-ISO 9001 in force. It will be valued very positively at the time of choosing it that meets the UNE-EN-ISO 9100 standard.
- 22.2. In case that the supplier has not a Quality Management System it will assume Quality System of the Organization applying the procedures and templates that the Organization indicate.
- 22.3. The supplier must advice of these obligations related to Quality Management to its subcontracted companies.
- 22.4. Supplier must deliver calibration records of measurement devices, production and numeric control programs, if it is applicable to subcontracted works.
- 22.5. The period of retention of documents begins from the date of delivery to the customer, the date of work finalisation, or the date of the last signature for the records. The retention period of the records is of a minimum nature and is:
- 7 years as minimum to Quality System records
 - Aircraft cycle life + 7 years as minimum to equipment manufacture records or loaded parts.
 - Indefinite to training records, except stoppage or employee retirement, in that case the retention period is 3 years after the stoppage or employee retirement.
- 22.6. The Organization will carry out a continuous evaluation of the supplier on an annual basis, taking into account the following aspects:
- Quality of the product and/or service provided.
 - Compliance with delivery deadlines.
 - After Sales Service.
 - Errors in the documentation received.
- 22.7. 22.7. The inspection and control process will include a continuous annual evaluation. As a result of the evaluation, if our quality incident is not met, you will be notified of the incidents to correct them and improve your services and/or products.

23. ENVIRONMENTAL PROTECTION

- 23.1. The Supplier or subcontractor undertakes to comply with current environmental legislation that affects the supply or provision of the service, as well as with our Quality and Environment Policy available on the page www.adc-ingenieria.com. Also, it will adopt appropriate preventive measures to prevent contamination. The Supplier undertakes to

carry out adequate preventive and corrective maintenance of the infrastructure to reduce environmental impacts and prevent pollution.

24. SUPPLIER STAFF QUALIFICATION

- 24.1. Supplier staff just as well as company subcontracted for them that perform works related with product quality should be competent based on appropriate education, training, skills and experience.
- 24.2. In case that such works are included as special processes, it must have the corresponding certification to perform these activities, issued by an accredited entity.

25. NONCONFORMING PRODUCTS TREATMENT

- 25.1. The supplier must notify the existence of non-conformities that affect the work or requested products, as soon as it is known and have the Organization approval for the repairs and corrective actions before implementation.