

GENERAL TERMS AND CONDITIONS OF PURCHASE

GENERAL

All Purchase Orders of goods and repair services issued by TRANSPORTES AÉREOS PORTUGUESES, S.A. through the Maintenance and Engineering Department (MANUTENÇÃO E ENGENHARIA), hereafter called TAP-ME, are regulated by these General Terms and Conditions of Purchase (GTCP), also available on the official website of TAP-ME (www.tapme.pt).

The Supplier accepts these GTCP from the moment of Purchase Order acknowledgment. These GTCP will be considered, for all intents and purposes, to be known by the Supplier when supplying the good or service contained in the Purchase Order, without prejudice, in case of a hard copy of this document, of the obligation of the Supplier to read or download the available version on the official website of TAP-ME.

In the event of any ambiguity, inconsistency or conflict between the terms and conditions here defined and in other agreements, the order of precedence between them shall be as follows by decreasing order of precedence:

- a. Any contract signed between TAP and the Supplier;
- b. These GTCP;
- c. Airbus' Supplier Support Conditions;
- d. The World Airlines and Suppliers Guide;
- e. The terms defined by the Supplier in the quotation.

TAP's GTCP shall prevail and shall override any Supplier's General Terms of Sale.

PURCHASE ORDERS AND PAYMENT

TAP-ME assumes no responsibility for goods shipped without a Purchase Order sent via email or interface SPEC 2000.

The Supplier will not charge TAP-ME for cancelling Purchasing Orders except by mutual agreement. A cancellation/restocking charge can only be applicable to items not normally stocked by the Supplier.

Suppliers are expected to acknowledge electronic Purchase Orders immediately, in accordance with ATA Spec 2000 and to acknowledge individual hard copy Purchase Orders within 3 business days of receipt.

By acknowledging the Purchase Order, the Supplier will automatically:

- a. Confirm that it holds and fully understands all necessary information for the fulfillment of the Purchase Order;
- b. Confirm its capacity to fulfill the Purchase Order;
- c. State the corresponding Order No. on all invoices and other documentation and correspondence in regards of this order.

Any possible incompatibilities, doubts, mistakes or omissions in the Purchase Order must be explicitly presented to TAP-ME in writing by email or via ATA Spec 2000, within 3 (three) business days of receipt of the Purchase Order. The established and communicated deadlines will not be affected by these incompatibilities, doubts, mistakes or omissions; therefore, they will not be changed.

Any variations of the Purchase Order proposed by the Supplier must be expressly approved by TAP-ME in writing and, when done after the acceptance of the Purchase Order, the Supplier shall not undertake any such variations without an explicit written agreement by TAP-ME, all this without prejudice of the responsibilities accepted by the Supplier.

Payments will be processed in accordance with the agreed conditions. All payments, even partial, are made on the condition that the material is found to be acceptable (for further details consult clause "RECEIVING INSPECTION/MATERIAL REJECTION" of these GTCP).

Invoices' hard copy must be sent for the following address:

Transportes Aéreos Portugueses, S.A.
Centro de Digitalização – Edif. 19 A
Apartado 50194
1700-008 Lisboa
Portugal

Digital invoices must be sent to the following email: cp.invoices@tap.pt

DELAY AND DEFAULT

Whenever anything delays or threatens to delay the timely performance of the Purchase Order, Supplier must immediately notify TAP-ME in writing of all relevant information with respect to such delay.

In the event Supplier for any reason anticipates any difficulty in complying with the required delivery date or any of the other requirements of the Purchase Order, Supplier shall promptly notify TAP-ME in writing. In the event of a delivery delay, non-delivery or any other default by Supplier in meeting the requirements of the Purchase Order, TAP-ME reserves the right to cancel, without previous notice, the Purchase Order entirely or partially. In this event, the Supplier shall refund all advance payments which he may have received.

TAP-ME is also entitled to claim indemnity of prejudice caused by the failure to supply the material on the requested date.

PRICES

Prices stated in a Purchase Order are firm and fixed and not subject to any escalation.

Supplier warrants that prices charged for the goods or services delivered under the Purchase Order are not more favorable to Supplier, than those usually charged and imposed by Supplier, for similar volumes of similar goods or services.

COMPETENCE & AWARENESS

Supplier shall ensure that their personnel are competent and have the required skills, qualifications and training necessary to deliver goods and/or services and, if applicable, to manufacture the products that are the subject of the Purchase Order. Appropriate records of education, training, skills and experience shall be maintained.

Supplier shall ensure that its personnel are aware of their contribution to product or service conformity, their contribution for product safety and the importance of ethical behavior.

QUALITY OF GOODS AND SERVICES

Supplier and all its sub-tier Suppliers shall establish and maintain a quality management system, preferably one approved by EASA, FAA or third party certified in accordance with ISO 9001 or AS/EN 9100 series, covering the supplied goods and/or services.

Goods or services supplied shall meet the requirements of the applicable technical specifications (drawings, standards, etc.) and/or shall conform in all respects with the requirements of the Purchase Order or Contract.

Supplier is required to provide and maintain an inspection and quality control system to commensurate with the complexity and reliability of the goods or services to be supplied and with the applicable quality requirements.

It shall be the Supplier's responsibility to issue a certificate making a statement of quality and conformance regarding the supplied goods or services.

If not specified otherwise in the Contract, Purchase Order or Workorder, all shipments of components and material must be accompanied, as a minimum, by the following delivery documentation, as applicable:

Part condition	Life Limited Part	Service Life-Limited Component	Aircraft material	Repaired Part	Standard Part	Consumable/raw material
New	A	A	A	-	B	B
Used	C	C	C	D	-	-

A – EASA Form One or FAA Form 8130-3 or Dual EASA Form One or Dual FAA FORM 8130-3, as required by TAP-ME

B – Certificate of conformity

C – EASA Form One or Dual EASA Form One or Dual FAA FORM 8130-3

D – EASA Form One or Dual EASA Form One or Dual FAA FORM 8130-3 and test report

Life-limited part means any part for which a mandatory replacement limit is specified in the type design, the Instructions for Continued Airworthiness, or the maintenance manual;

Service life-limited component embraces components subject to a certified life limit after which the components should be retired from the aircraft, and components subject to a service life limit after which the components should undergo maintenance to restore their serviceability;

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Repaired part means any part which has been repaired, overhauled or subjected to other maintenance action accomplished by Supplier;

Standard part is a part that is manufactured in complete compliance with an established industry, Agency, competent authority or other government specification which include design, manufacturing, test and acceptance criteria, and uniform identification requirements. The specification should include all the information that is necessary to produce and verify conformity of the part;

Consumable material is any material which is only used once, such as lubricants, cements, compounds, paints, chemical dyes and sealants, etc.;

Raw material is any material that requires further work to make it into a component part of the aircraft, such as metals, plastics, wood, fabric, etc.;

Aircraft material is any aircraft, engine or component replacement part not included in the previous categories.

Supplier is not allowed to supply TAP-ME parts that have been subjected to severe stress or heat (such as in a major engine/aircraft failure, accident or fire) or have been submersed in salt water. The supply of parts that have been obtained from a military source or that have been previously fitted to a state aircraft is also not acceptable.

Suppliers (approved maintenance organizations) shall hold and use applicable current maintenance data in the performance of aircraft, engine or component maintenance.

RETENTION OF DOCUMENTED INFORMATION

Unless otherwise approved by TAP-ME in writing, Supplier shall maintain all records that provide objective evidence of compliance to TAP-ME's requirements for a minimum of 5 years after the last delivery of products and services.

All documentation must remain legible and readily identifiable. When it is necessary to correct an entry, the correction shall be made in a manner that clearly shows the original entry. The use of correction fluid/tape on all forms of documents/records is not allowed. Documents with unauthorized alterations are invalid.

Supplier agrees not to use or disclose any data, designs or other information provided by or belonging to TAP-ME, except in performance of the Purchase Order. Upon TAP-ME's request such data, designs or other information and any copy thereof shall be returned to TAP-ME.

SUB-TIER SUPPLIER FLOW DOWN

The Supplier is required to flow down all TAP-ME's requirements to sub-tier Suppliers including, but not limited to, the requirements contained herein.

PREVENTION OF UNAPPROVED AND SUSPECTED UNAPPROVED PARTS

An unapproved part means a part that was not produced or maintained in accordance with approved or acceptable data and applicable statutory, regulatory and customer requirements. Suspected unapproved part means a part for which there is objective and credible evidence indicating that the part is likely an unapproved or counterfeit part.

Supplier shall establish and maintain a process to prevent unapproved and suspected unapproved parts from being procured, used and shipped.

In case of delivery or suspicion of having been delivered an unapproved or suspected unapproved part, the Supplier must immediately notify TAP-ME in writing, providing all relevant information with respect to such occurrence.

TRACEABILITY

Documentation supplied with the purchased good or service shall ensure that full traceability of the purchased good or service is maintained.

The Supplier is required to implement procedures for recall control to ensure that components and materials shipped can be traced and recalled if necessary.

PRODUCT LIFE

Product with a shelf life shall be delivered to TAP-ME with a remaining potential, at least equal to value requested in the Purchased Order. For this purpose, the date of manufacture and expiry date shall be clearly shown on the product or associated documents.

Any exception to these requirements shall be mutually agreed in writing with TAP-ME.

PACKAGING AND DELIVERY

The goods shall be properly packed and secured in such a manner as to reach their destination in good condition having regard to the nature of the goods and any other relevant circumstances. All products shall be delivered clean, uncontaminated and in a manner that conforms to procedures intended to prevent accidents and personal injury.

Where applicable, the goods shall be packaged, labeled and transported in accordance with any international agreements. Supplier shall package all parts in accordance with ATA 300. Additionally, all electro-static sensitive devices (ESD) shall be properly packaged to provide protection from electrostatic discharge. All sensitive products shall be clearly identified with an ESD warning.

Shipping containers for hazardous chemicals or flammable materials must be labeled in accordance with applicable laws to facilitate proper handling and storage.

Products requiring specific environmental conditions (storage temperature, relative humidity, ventilated environment, etc.) shall be stored and transported in accordance with the applicable regulations.

An appropriate Material Safety Data Sheet (MSDS), if required by law, will precede or accompany each chemical products shipment of Supplier. Any changes to the MSDS must be submitted as soon as possible in writing to TAP-ME.

Delivery will be made in the quantities and at the times specified in the Purchase Order.

PRODUCT QUALITY NOTIFICATION

Supplier shall immediately report to TAP-ME any malfunctions, defects and unairworthy conditions that are discovered which could induce an unsafe condition for Client quality system and/or activities.

Where Supplier suspects that nonconforming goods or services may have been shipped or supplied to TAP-ME, Supplier shall immediately provide written notification to TAP-ME.

When Supplier identifies nonconforming goods or services prior to the shipment or delivery and wishes to obtain concession or deviation permission for its use or acceptance, Supplier shall immediately provide written request and obtain TAP-ME's final disposition of the nonconforming good or service applicable to the Purchase Order.

RECEIVING INSPECTION/MATERIAL REJECTION

TAP-ME reserves the right to inspect or test any goods or services supplied. In the event any of the good or service is found to be defective or otherwise not in conformity with the requirements of the Purchase Order, Contract or these GTC, TAP-ME reserves the right, for a period of 60 calendar days after receiving the good or service, to reject the material or require the correction of the defect or request the prompt replacement with satisfactory material.

Should replacement material be requested by TAP-ME, the costs associated with returning defective material and delivery of replacement material will be borne by the Supplier. No extra charge will be made for such replacements, including transportation costs.

If TAP-ME rejects the goods or services, or if Supplier, when requested by TAP-ME, fails to proceed promptly with the replacement or correction thereof, TAP-ME may either terminate the Purchase Order for default or may replace or correct such goods or services and, in either event, may charge Supplier the cost of replacement, correction and all other damages incurred by TAP-ME.

PERFORMANCE REVIEWS

TAP-ME reserves the right to perform periodic Supplier's performance reviews, measuring and providing feedback to Supplier in terms of quality, performance, delivery, responsiveness and communication. These reviews are performed as part of TAP-ME's continuous improvement processes. Supplier is expected to participate in these reviews, providing corrective action plans to improve its performance, as required.

CHANGES

In the event of significant changes to processes, products, organization or external providers that could impact quality, performance or reliability of the

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supplied product or service, Supplier will make reasonable efforts to notify TAP-ME of such changes.

AUDITS

Supplier will permit TAP-ME's auditors and aviation authorities to have access at all reasonable times to Supplier's documentation and other pertinent records and Supplier will require each of its sub-tier Suppliers to do likewise with respect to their documentation and records. Supplier and each sub-tier Supplier will also provide other information as may be needed by TAP-ME's representatives in compliance monitoring.

RIGHT OF ACCESS

The Supplier will allow reasonable access to the applicable areas of facilities for TAP-ME staff engaged in surveillance or other inspection activities, which may include examination of the Quality Management System, products and processes and associated documented information. Such assessments may also be flowed down to include the sub-tier Suppliers as considered necessary.

The Supplier will also allow reasonable access for TAP-ME's customers and regulatory authorities to perform investigations on supplied products or services. Records, specifications and other related documents must be made available to support these activities. The performance of these duties does not relieve the Supplier of his contractual quality obligations and responsibilities.

WARRANTIES

Supplier warrants that goods, including material and workmanship, supplied under the Purchase Order or contract:

- a) shall be of the highest grade and quality unless otherwise specified by TAP-ME in writing;
- b) shall not be less than merchantable and fit for the particular purpose(s) known by or disclosed to Supplier;
- c) shall meet specifications, drawings, or standards agreed upon or samples submitted or approved by TAP-ME; and
- d) shall conform to any referenced additional documents;
- e) shall be free from defects in material, workmanship, design and manufacturing for the minimum warranty period of 36 months for new parts and 24 months for repaired and serviceable parts;
- f) prior to delivery from the Supplier, all material should be inspected and released in accordance with the conditions of the National Aviation Authority of the Country of origin (FAA, TCAA, etc.), whenever such conditions apply.

In case a warranty claim is raised, Supplier will bear all costs of returning and replacing the defective Products, as well as all risk of loss or damage to the defective Products from and after the time they leave the physical possession of TAP-ME.

The warranties contained in this Subsection will survive any inspection, delivery, acceptance or payment by TAP-ME.

This Subsection and the obligations contained herein will survive the expiration or earlier termination of this Agreement.

The remedies set forth in this Subsection are in addition to and not a limitation on any other rights or remedies that may be available against Supplier.

Supplier agrees, at its own expense and whenever and as often as requested, to provide and deliver to TAP-ME evidence, in form and substance satisfactory to TAP-ME, showing that each and all of said specifications, drawings, requirements and samples have been fully and completely met and that the articles supplied hereunder fully and completely conform to such specifications, drawings, requirements and samples.

These warranties are in addition to and not exclusive of any others which may be implied by law or custom.

In case there is an existing Airbus' Supplier Support Conditions agreement or other signed and negotiated contract with the Supplier, the warranties conditions clauses stated on those documents supersedes the one's in these GTCP.

These GTCP supersedes any warranty conditions provided by the Supplier on a quotation or General Terms of Sale.

CODE OF ETHICS AND GOOD BUSINESS CONDUCT

Supplier represents and warrants full compliance with TAP-ME's Code of Ethics and Good Business Conduct (available at

<https://www.tapairportugal.com/pt/sobre-nos/manuais>) and ensures that it will not allow that any act or omission creates, directly or indirectly, constraints, limitations or impositions that breach or are likely to breach the mentioned Code.

In the event of a breach or suspected breach of TAP-ME's Code of Ethics and Good Business Conduct, and without prejudice to any other rights, TAP-ME may terminate any Purchase Order or Agreement with Supplier with immediate effect without incurring in any liability towards Supplier.

Supplier shall be liable towards TAP-ME for any damages, costs, losses, expenses and other damages that TAP-ME suffers arising out of or in connection with any breach or default of the obligations set forth herein.

ANTI-CORRUPTION

Supplier represents and warrants full compliance with all the applicable laws on anti-corruption and prevention of money laundering and that it implemented and/or will implement, whenever necessary, policies and procedures to observe such laws, evidencing to TAP-ME, upon request, the fulfillment of this obligation.

In the event of a breach or suspected breach of such laws, and without prejudice to any other rights, TAP-ME may terminate any Purchase Order or Agreement with Supplier with immediate effect without incurring any liability towards the Supplier.

Supplier shall be liable towards TAP-ME for any damages, costs, losses expenses and other damages that TAP suffers arising out of or in connection with any breach or default of the obligations set forth herein.

EXPORT CONTROLS AND ECONOMIC SANCTIONS LAWS

Supplier represents and warrants to TAP ME hereto that it will not violate and, to the best of its knowledge, it has not violated any export applicable control laws and economic sanctions laws (hereinafter "Export Control Laws and Economic Sanctions Laws"), and agrees to comply with any export requirements or restrictions imposed by the United States of America, the European Union, and any jurisdiction. Supplier agrees that it will maintain an adequate system of controls to identify such applicable Export Control Laws and Economic Sanctions Laws, including screening all customers, lessees, charterers, end-users, and other third parties against lists of designated countries, persons, and entities maintained by the United Nations, the European Union, the United States, the United Kingdom or any other jurisdiction.

Supplier shall inform TAP ME, to the extent permitted under applicable laws, of any situation of which it becomes aware of that may result in a breach of its obligations hereunder.

In case TAP ME suspects that there is a potential breach to any applicable Export Control Laws and Economic Sanctions Laws, TAP ME shall obtain from Supplier all necessary assistance to clarify such potential breach. In case TAP ME needs, in its exclusive criterion, to involve any external consultants for confirming whether such potential breach to any applicable Export Control Laws and Economic Sanctions Laws has occurred, TAP ME shall have the right to seek reimbursement of said costs from Supplier, provided that TAP ME presents copy of the documents attesting such costs.

NOTICIES

All written notices requested under these GTCP shall be addressed to the contact provided in the Purchase Order or Contract, with a copy to the following email: purchasing.me@tap.pt.

GOVERNING LAW AND JURISDICTION

These GTCP Agreement are governed by Portuguese law.

The Lisbon Judicial Court will have jurisdiction to settle any dispute arising out of these GTCP, to the express exclusion of any others.