

Framework Agreement

09.01.2026 No 2-2/26/.....35

Estonian Centre for Defence Investments (registry code 70009764, address Järve 34a, 11314 Tallinn, Estonia),

Estonian Defence Forces (registry code 70008641, address Juhkentali 58, 15007, Tallinn, Estonia),

Estonian Defence League (registry code 74000725, address Toompea tn 8, 10130 Tallinn, Estonia) represented by Katri Raudsepp Deputy Director General acting as Director General pursuant to statute and the Director General's Directive No. 1-1/25/54 of 08.08.2025 (hereinafter the **buyer**),

and

KNDS France (registry code 379 706 344, address 13 ROUTE DE LA MINIERE 78000 VERSAILLES, FRANCE)

and **DELAIR** (registry code 877643486, address 676 rue Max Planck, 31670 Labège, France) represented, under a power of attorney, by Olivier Travert, Export Sales and Marketing Director (hereinafter the **seller**),

separately **party** and jointly **parties**,

has concluded the following framework agreement (hereinafter the **agreement**):

1. Basis and object of concluding the agreement

- 1.1. The agreement has been concluded based on the procurement documents "Loitering munition framework agreement" (reference number 277491) (hereinafter the public procurement) and the tender submitted by the seller in this public procurement.
- 1.2. Under the agreement, the items are procured through both mandatory and voluntary centralised public procurement, which means that the agreement concluded by the Estonian Centre for Defence Investments as a central purchasing body can also be used by other contracting authorities who are using the centralised public procurement service of the Estonian Centre for Defence Investments in accordance with § 30 clause 2 of the Public Procurement Act.
- 1.3. The buyer has entered into the agreement with the seller based on the seller's tender, the seller's statements and confirmations in the agreement, and assuming in good faith the seller's professionalism and ability to fulfill the agreement properly. If subcontractors are used, the seller remains responsible to the buyer for the proper performance of the agreement.
- 1.4. The seller declares and confirms that:
 - 1.4.1. They and their representative have all the rights and authorizations to enter into the agreement;
 - 1.4.2. They have read the agreement and the procurement documents and fully understands the nature and consequences of the obligations taken, and agree to the conditions;
 - 1.4.3. The performance of the agreement does not harm the rights of third parties and there are no circumstances that would exclude their right to conclude the agreement and perform it properly;
 - 1.4.4. They have all the valid permits, registrations, representation rights and certificates required for the performance of the agreement and upon their expiration during the validity period of the agreement, undertakes to extend/renew them. If renewal of the permits, registrations, representation rights and certificates is not possible due to circumstances not depending on the seller, they shall immediately notify the buyer thereof;

- 1.4.5. In relation to the goods transferred to the buyer or the service provided, third parties do not have any claims or other rights that third parties have the right to enforce in relation to the goods or services;
- 1.4.6. The goods are not the subject of an international sanction and do not originate in a sanctioned territory within the meaning of the International Sanctions Act.
- 1.5. The subject of the agreement is loitering munition as a whole capacity which includes the aircraft itself, ground support units and associated equipment (hereinafter the **goods**) together with training, life-cycle management and necessary maintenance (hereinafter the **service**).
- 1.6. Under the agreement and the conditions set out therein the seller undertakes to sell goods and provide services to the buyer, and the buyer undertakes to accept the goods and pay the seller the purchase price of the goods/services in money. If the goods are purchased together with a service, the terms of the service contract as stipulated in the Law of Obligations Act shall apply to the service to the extent that they are not regulated in the agreement, the conditions of the agreement are inconsistent or incompatible with the nature of the service.
- 1.7. The conditions of service provision, type of goods, name, specification, quantity, cost, delivery places, delivery times, buyer's contact person are stipulated in the procurement contracts, if possible. If all the necessary conditions are not known at that moment, the necessary information will be sent by e-mail during the execution of the procurement contract.
- 1.8. The goods and services must correspond primarily to the procurement and then to the tender submitted by the seller. The delivered goods and services shall meet the terms of the agreement, including quality, type, description and quantity. The documents and packaging accompanying the goods and services shall also meet the terms of the agreement.
- 1.9. The hierarchy of documents is as follows: the technical specifications of the public procurement with the specifications provided in the reopening of competition or the invitation to tender, the agreement with the specifications provided in the procurement contract, and then the tender submitted by the seller. The standard conditions governing the sale of the seller's goods or the provision of services can be applied only to the extent that does not conflict with the conditions set forth in this agreement.

2. Parts of the agreement

- 2.1. Integral parts of the agreement are the procurement documents, the seller's public procurement tender and its annexes, explanations given during the public procurement procedure, letters of confirmation, invitation to tender and tenders submitted on the basis of the agreement, procurement contracts concluded on the basis of the agreement, notifications sent between the parties and all amendments to the agreement and procurement contract to be concluded. If a procurement contract has not been concluded, orders, order letters, purchase orders or anything else with which a financial obligation is made are also considered as procurement contracts.

3. Conclusion of procurement contracts

- 3.1. Procurement contracts are awarded under the agreement on the basis of the buyer's needs either for a one-time order (hereinafter the **one-time purchase**) and/or for a fixed period (hereinafter the **duration contract**), during which orders are made. The agreement without a procurement contract does not oblige the buyer to purchase goods or order services from the seller.
 - 3.1.1. A procurement contract for a one-time purchase is concluded between the partners of the agreement as a result of a reopening of competition, which is not

purchased under a duration contract. If the expected cost of a one-time purchase is more than 10 000 euros without VAT and the buyer has concluded agreements with several tenderers in the public procurement, the buyer is obliged to organize a reopening of competition between all partners of the agreement. If the expected cost of the one-time purchase is less than the above-mentioned cost, the buyer may organize a reopening of competition or purchase goods or order services from the seller whose tender is the most economically advantageous of the fixed cost (if fixed) at the time of placing the one-time purchase.

3.1.2. The duration contract is concluded between the partners of the agreement as a result of a reopening of competition for the purchase of goods or the ordering of a service within a certain period (the length of the period is specified in the terms of the reopening of competition) on the basis of the list and descriptions of the goods or services specified in the public procurement and described in the technical specifications or specified in the reopening of competition. Under a duration contract, the buyer has the right to order the goods or services specified in the technical specifications from the successful tenderer during the duration contract period. The duration contract is performed on the basis of purchase orders submitted by the buyer, in which, if necessary, e.g. quantity, time and place of delivery or time and place of service provision, contact person, etc. are specified.

3.2. A reopening of competition is generally organized in the Public Procurement Register for a one-time purchase and/or for the conclusion of a duration contract based on the following procedure:

3.2.1. The buyer sets a reasonable deadline for submitting tenders, taking into account the complexity of the subject of the procurement contract and the time required for submitting tenders.

3.2.2. The buyer shall specify in the reopening of competition the conditions of that reopening of competition, the list and specifications of the goods or services to be ordered, the time-limits for the delivery/transport of the goods or the provision of the service and any other information necessary for the preparation of the tender. In the proposal for a tender, the buyer shall specify whether it intends to make a one-time purchase or to conclude a duration contract.

3.2.3. The tender submitted by the seller shall be valid for at least 120 calendar days from the deadline for submitting the tender, unless otherwise stated in the invitation to tender.

3.2.4. The buyer has no obligation to purchase all the goods listed in the technical specifications of the reopening of competition or to order services after receiving the tenders submitted in the reopening of competition if the buyer's capabilities and needs have changed by the time of procurement contract conclusion.

3.2.5. In the event that the service requires follow-up or additional activities that the buyer was unable to foresee in the reopening of competition, the buyer continues with the seller who initially provided the service without organizing a new reopening of competition.

3.2.6. The buyer evaluates and compares the tenders according to the percentages of the tender evaluation criteria specified in the conditions of the reopening of competition and recognizes as successful the tender that is the most economically advantageous of the tenders recognized as compliant based on the evaluation criteria of the tenders.

3.2.7. In order to determine the most economically advantageous tender in a reopening of competition, the following tender evaluation criterias and proportions shall be used by the buyer:

1. Price - 50-90%;

2. Delivery time - 5-45%;
3. Technical requirements (quality) - 5-45%;
4. Security of supply- 5-45%.

3.2.7.1. Depending on the nature of the reopening of competition organised by the buyer (e.g. unforeseeable circumstances, more technically complex project, etc.), the buyer shall use all four or at least two of the above evaluation criteria and percentage ranges.

3.2.7.2. In the case of duration contracts, the buyer uses, depending on the complexity of the procurement object, either all the evaluation criteria with the specified percentages or only the price with a 100% percentage.

3.2.7.3. The version and proportions of the evaluation criterias are determined by the buyer each time under the conditions of the reopening of competition taking into account the following:

3.2.7.3.1. Price (the less the better)- used in each time to determine the most economically advantageous tender.

3.2.7.3.2. Delivery time/speed (the less the better)- shall be used in case the timeframe between placing the order and fulfilling the order is short due to the buyer's needs.

3.2.7.3.3. The technical requirements of the product (evaluated by the buyer, the evaluation method is determined in a reopening of competition)- are used if the technical requirements of the product are more important than usual for the end user.

3.2.7.3.4. Security of supply (evaluated by the buyer, the evaluation method is determined in a reopening of competition)- is used in cases where security of supply is more important than usual for the end user (for example - proximity to the production location, speed of life cycle service provision), i.e. it is more important than usual for the end user to ensure the reliable and timely delivery of a sufficient amount of defense and security-related items and services or maintenance, repair and spare parts, and continuous availability of other support under all conditions.

3.2.8. The buyer has the right, in reopening of the competition, to ask for product samples and test them, including involving third parties in the testing if necessary. Product samples may be requested for (visual) evaluation or (technical) compliance assessment.

3.2.9. The buyer informs all contractual partners about the results of the reopening of competition, including those who did not submit a price offer at the reopening of competition, and purchases the goods or orders the service from the tenderer who submitted the tender that was recognized as successful.

3.2.10. In the event that the tenderer who submitted a successful tender at the reopening of competition withdraws the tender before concluding the procurement contract or does not begin to fulfill the procurement contract on time, the buyer has the right to approach the seller(s) whose price tender was next in the ranking as the most economically successful and conclude the procurement contract without conducting a new reopening of competition and demand from the tenderer who submitted the successful tender (in the ranking from the first) to pay the price difference compared to the cost of the next successful tender and any additional costs in accordance with § 119 of the Public Procurement Act.

- 3.2.11. In the event that more than one tender should be successful in the reopening of competition due to the submission of equal tenders, a raffle will be used to determine the successful tender. The buyer communicates the raffle procedure to the sellers before the raffle.
- 3.2.12. The buyer may reject all tenders submitted in the reopening of competition if at least one or more of the following circumstances occur:
 - 3.2.12.1. tenders are unreasonably expensive for the buyer;
 - 3.2.12.2. during the reopening of competition, the buyer has become aware of information that excludes or makes it impractical for the buyer to complete the reopening of competition under the conditions stated in the procurement documents of the reopening of competition, or the conclusion of the procurement contract on the predetermined conditions determined during the reopening of competition would not meet the buyer's previous needs or expectations due to changed circumstances;
 - 3.2.12.3. the subject of the procurement contract is no longer required, which does not depend on the buyer, or for reasons which are due to or arise from changes in legislation, administrative acts and actions of higher authorities or other similar arrangements;
- 3.2.13. The buyer rejects the tender submitted to the reopening of competition, on the basis of which the procurement contract concluded would be null and void on the basis of § 7 clause 1 of the International Sanctions Act.
- 3.3. By submitting a tender in the reopening of competition, the seller confirms acceptance of all the conditions set out in the proposal for the submission of a tender. The submission of a conditional tender in a reopening of competition is not allowed, and the buyer rejects a conditional or non-compliant tender (§ 114 clauses 1 and 2 of the Public Procurement Act).
- 3.4. If, as a result of public procurement, agreement is concluded with only one partner, or if the number of agreement partners is reduced to one, the buyer may reject the submitted tenders on the above grounds.
- 3.5. If, as a result of the public procurement, less than two partners of the agreement are reached, or during the period of validity of the agreement, the number of partners of the agreement decreases to one, the purchase of goods and the ordering of services are carried out based on the following procedure:
 - 3.5.1. The buyer shall submit to the seller a proposal for the submission of a tender.
 - 3.5.2. The seller submits the tender together with the cost of the goods or services no later than 5 days after receiving the invitation to tender from the buyer. If the seller is unable to meet this deadline, he will notify the buyer immediately.
 - 3.5.3. The buyer agrees to the tender by signing the procurement contract or refuses the tender within 14 days at the latest. The buyer is not obliged to conclude a procurement contract based on the submitted tender. If the buyer does not respond to the tender within the required days, it is considered a rejection.
- 3.6. The procurement contracts shall be concluded at least in a form that can be reproduced in writing. If the value of the procurement contract without VAT is 50 000 euros or more, the parties conclude the procurement contract as a document signed by both parties.
- 3.7. The buyer may order goods or services with an estimated cost of up to 5 000 euros without VAT from a freely chosen tenderer who is a party to the agreement, provided that the total cost of these purchases does not exceed 20% of the estimated cost of the entire agreement. The basis of § 30 section 8 of the Public Procurement Act is primarily used for quick and small-scale purchases (e.g. the need to urgently purchase individual goods). In addition, the buyer uses the mentioned basis if the partner of the duration contract informs

during the period of the duration contract that he is unable to fulfill the contract at least partially. The buyer makes a choice between the partners of the agreement in a sequence based on buyers own needs, which takes into account speed (how quickly the desired goods can be obtained), the availability of the necessary goods (whether it is immediately available in the assortment), as well as whether individual quantities are purchased in addition to the previously purchased goods. The details of the delivery shall be agreed in the procurement contract.

- 3.8. The buyer has the right to order from the seller also other goods or services that meet the requirements of the technical specifications (goods and services, the purpose of which is the same). Ordering of the named goods or services is carried out during reopening of competition between the partners of the agreement or by submitting proposals for the submission of tenders if there is one seller, in which the buyer provides the sellers with exact technical specifications and the conditions for pricing the goods or services.

4. Rights and obligations of the buyer

- 4.1. The buyer shall have the right to continuously check the fulfillment of obligations arising from the agreement and the documents related to the purchase of goods or the ordering of services, and to request information about the fulfillment of the agreement at any time.
- 4.2. The buyer shall have the right to verify the accuracy and correspondence of the invoices, calculations and other costs presented by the seller. If necessary, the buyer has the right to demand invoices from subcontractors.
- 4.3. The buyer has the right to consult with the seller on questions related to the goods or services, for example, questions related to the delivery and use of the goods or the provision of services.
- 4.4. The buyer has the right to demand the immediate elimination of defects in the goods or services.
- 4.5. The buyer has the right to demand compensation for damages caused by the fault of the seller.
- 4.6. The buyer reserves the right to purchase goods and/or order services in addition to the agreement if: no seller submits a tender; the tenders submitted by the sellers do not meet the requirements; no seller is able to perform the procurement contract or has withdrawn from the agreement or procurement contract; the price of the tendered goods and/or services is unreasonably high compared to the average market price and economically unreasonable for the buyer.
- 4.7. The buyer undertakes to pay the seller in accordance with the agreement for the goods delivered or the service provided under the conditions stipulated in the agreement.
- 4.8. The buyer undertakes to respond within a reasonable time to all requests submitted by the seller for clarification of instructions.
- 4.9. The buyer undertakes to inform the seller as soon as possible about problems related to the execution of the procurement contract.

5. Rights and obligations of the seller

- 5.1. The seller undertakes to provide the buyer, upon request, with a summary statement of the goods purchased from the seller or the service ordered, for the specified period (including the date of the conclusion of the procurement contract or purchase order, name of the goods, quantity and cost without VAT, the total cost of procurement contracts/purchase orders without VAT, etc.) in MS Excel or in another format as agreed with the buyer within 10 days from receiving the corresponding claim, unless the parties have agreed otherwise.
- 5.2. The seller undertakes to provide information (volume and purpose) about the subcontractors at the request of the buyer. In the event that the seller has provided relevant information before concluding the agreement, the seller must coordinate with the buyer in advance the change of previously mentioned persons.

- 5.3. The seller undertakes to immediately inform the buyer of the circumstances preventing the performance of the agreement.
- 5.4. The seller undertakes to immediately inform the buyer about a cyber attack and a cyber incident related to the buyer directed against the seller, and to submit a cyber incident report to the buyer at the request of the buyer.
- 5.5. The seller undertakes to comply with the terms of fair trade when fulfilling the agreement, to be based on environmentally sustainable principles, and not to use slave and child labor.
- 5.6. The seller undertakes to inform the buyer immediately if he cannot deliver the goods or provide the service by the agreed deadline.
- 5.7. The seller undertakes to deliver the goods and/or provide the service on time and in a duly agreed upon volume and frequency in accordance with the conditions stipulated in the agreement and during the order submission, the requirements, norms and standards applied in best practice.
- 5.8. The seller has the right to receive the agreed payment for the goods delivered or the service provided under the conditions stipulated in the agreement.
- 5.9. The seller has the right to receive instructions, explanations or other information from the buyer that affects the execution of the agreement.
- 5.10. The seller has the right to make suggestions regarding the better organization of activities related to the delivery of goods or the provision of services.

6. Pre-delivery quality inspection of the goods

- 6.1. Pre-delivery quality inspection of goods is decided by the buyer based on need.
- 6.2. Pre-delivery quality inspection of the goods is carried out at the manufacturer's plant or at the location of the seller or at a location agreed upon by the parties.
- 6.3. The following conditions apply to the pre-delivery quality inspection of goods:
 - 6.3.1. The seller shall notify the buyer by email prior to each delivery of its readiness to carry out a pre-delivery quality inspection by sending a notice at least 30 calendar days before the delivery date. Together with the notice, the seller shall indicate the technical possibilities to perform the control procedures.
 - 6.3.2. The buyer shall inform the seller by email, within 10 days as of the receipt of the seller's notice of its availability for a pre-delivery quality inspection. The buyer is not obliged to carry out a pre-delivery quality inspection. The parties have agreed that if the buyer fails to notify the seller within 10 days as of the receipt of the notice, no pre-delivery quality inspection shall take place.
 - 6.3.3. If the buyer wishes to carry out a pre-delivery quality inspection, the buyer shall be entitled to give the seller his input as to the procedures the buyer wishes to carry out, and the parties shall record the procedures to be carried out and the time at which these are to be carried out in a format that can be reproduced in writing.
 - 6.3.4. The buyer shall have the right to involve third parties in the pre-delivery quality inspection to ensure that the goods comply with the requirements specified by the buyer in the reopening of competition.
 - 6.3.5. The pre-delivery quality inspection does not extend the delivery time agreed in the procurement contract, unless the pre-delivery quality inspection was not successful.
 - 6.3.6. If a pre-delivery quality inspection is not passed, the buyer shall give the seller immediate notice thereof, and the parties shall negotiate their next steps to ensure timely delivery, if possible.
 - 6.3.7. If a pre-delivery quality inspection is not passed on the second attempt, the buyer shall have the right to withdraw from the procurement contract with a unilateral decision, without granting any additional term for achieving compliance with the procurement contract, and may demand a contractual penalty of 10% of the value of the procurement contract from the seller.

- 6.4. The seller shall bear the costs of the pre-delivery quality inspection. The buyer shall bear its own accommodation and travel costs per pre-delivery quality inspection before each delivery. If the pre-delivery quality inspection fails the first time, the seller shall pay the costs of each subsequent pre-delivery quality inspection and the travel and accommodation costs of the buyer's participation in the pre-delivery quality inspection for up to four persons for up to five days.

7. Packaging and marking of goods

- 7.1. The seller shall provide the goods with packaging, which ensures the unchanged condition of the goods during transport and storage.
- 7.2. The packaging and marking of the goods shall comply with the requirements provided by the buyer.

8. Delivery and receipt of goods and services

- 8.1. To the delivery and receipt of the goods Incoterms® DAP delivery terms apply, unless otherwise agreed in the procurement contract.
- 8.2. Places of delivery and more detailed delivery conditions are specified in procurement contracts. The seller has the right to use a third-party warehouse for the delivery of the goods, where the conditions set by the third party may apply, which are presented in the procurement documents of the reopening of competition or in the invitation to tender.
- 8.3. In the event that the goods are subject to the export control obligation of the seller's country of residence, the seller shall provide the buyer with an up-to-date form of the end-user certificate and secure the necessary export license.
- 8.4. The actual delivery shall usually take place in working days from Monday to Thursday 08:30-15:00, except for national and public holidays and the working days preceding them and the last three working days of each month, unless otherwise agreed in the procurement contract.
- 8.5. The seller sends the delivery notice to the buyer for the delivery of the goods at least 10 working days before the planned delivery to the e-mail address specified in the procurement contract (a copy should be sent to the e-mail address ostud@rkik.ee), unless otherwise agreed in the procurement contract. In the delivery notice, state:
 - 8.5.1. The name of the goods;
 - 8.5.2. Procurement contract and/or purchase order number;
 - 8.5.3. Public procurement reference number;
 - 8.5.4. Quantity to be delivered, including the number of pallets, containers, etc.;
 - 8.5.5. Dimensions of the logistic unit;
 - 8.5.6. Way of packaging (film packaging, mesh packaging, on a euro pallet, etc.);
 - 8.5.7. The type of transport used to deliver the shipment (van, truck, etc.) and quantity;
 - 8.5.8. Specific requirements or needs for unloading the shipment;
 - 8.5.9. The planned delivery date and time of the shipment;
 - 8.5.10. The delivery address of the destination.
- 8.6. The seller gives the goods to the buyer, and the buyer accepts the goods under the conditions agreed in the procurement contract. If the seller informs about the delivery less than 10 working days before it takes place, or if all the specified documents are not included with the delivery notification, the buyer has the right not to accept the goods. In this case, all costs incurred shall be borne by the seller until the goods have been correctly delivered.
- 8.7. The seller submits the delivery note together with the delivery notice or at the latest at the moment of handing over the goods or after the provision of the service, unless otherwise agreed in the procurement contract. The delivery note shall state:

- 8.7.1. Seller details;
 - 8.7.2. Buyer details;
 - 8.7.3. The name of the recipient of goods and/or services;
 - 8.7.4. Procurement contract and/or purchase order number;
 - 8.7.5. Public procurement reference number;
 - 8.7.6. Product name, product code and quantity or type of service and time of provision.
- 8.8. In addition to the delivery note, the seller undertakes to hand over to the buyer all the documents necessary for receiving, possessing, using and disposing of the goods.
 - 8.9. The buyer has the right to check the compliance of the quality of goods or services with the terms of the agreement and procurement contract within two weeks. In this case, the buyer will draw up a quality control act, if necessary, which he will forward to the seller.
 - 8.10. The buyer shall draw up handover-acceptance act regarding the purchase of goods or the provision of services, which shall be signed by both parties and forwarded to the seller, if necessary together with the quality control act. A handover-acceptance act signed by both parties is also considered as a delivery note.
 - 8.11. In the absence of a delivery note, the buyer has the right to take possession of the corresponding goods, but handover-acceptance is deemed to have taken place upon receipt of a correct delivery note. The buyer has the right to refuse to sign the handover-acceptance act if the goods have visually visible defects.
 - 8.12. In the event that a party encounters unforeseen circumstances during the export and/or import of goods (e.g. delay due to inactivity of authorities, lack of necessary documentation, etc.), the party shall be obliged to inform the other party of such circumstances at the earliest opportunity.
 - 8.13. The seller shall bear the costs arising from the delivery of the goods and the transport until the delivery of the goods. The costs and expenses related to the goods will also be borne by the seller until the goods are handed over, except for costs caused by circumstances arising from the buyer.
 - 8.14. The costs arising from the delivery and transport of the goods until the delivery of the goods, which also include all security requirements related to the transport to the buyer's destination, are borne by the seller.
 - 8.15. In the event that during the performance of the agreement it turns out that it is not possible to receive the goods, the buyer has the right to exchange the goods for equivalent or better goods with the consent of the buyer. The seller proves the equivalence of the goods.
 - 8.16. The seller forms a handover-acceptance act regarding the provision of the service, which is signed by both parties. The buyer has the right to refuse to sign the handover-acceptance act if the provided service does not meet the conditions stipulated in the agreement. In the event of refusal to accept the service, the parties contact persons of the procurement contract shall draw up a relevant act in written form, and the seller is obliged to eliminate the deficiencies stated in the act by the deadline agreed by the buyer's and seller's contact persons, which may not be longer than 14 calendar days, unless the parties have agreed otherwise.

9. Agreement value and payment terms

- 9.1. The estimated maximum total value of the agreement in the public procurement is 400 000 000 euros, plus VAT in the cases provided for by law.
- 9.2. The prices submitted in the procurement procedure shall be fixed for one year (from the entry into force of the framework agreement) as maximum prices for the goods. In the reopening of competition, the seller has the right to submit a tender below the maximum price for a fixed-priced good but not above it. After the fixed price period ends, reopening of competition under competitive conditions determines the price.

- 9.2.1. In the case of reopening of competition for the purchase of new goods, not previously purchased by the buyer, the prices of the tender submitted by the seller shall be fixed for one year as the maximum prices of the goods. Subsequent reopening of competition for the purchase of the same goods shall the tenderer is entitled to tender below but not above the maximum price for a goods at a fixed price, the annual maximum price increase after the end of the fixed period shall not be more than 3% per year from the deadline for submission of tender in the reopening of competition. In the event that the seller offers improved goods (or product developments) instead of the originally offered goods in the context of reopening of competition, the principles of price fixing and price modification set out above apply.
- 9.2.2. The seller shall be entitled to request once a year an adjustment of the unit prices fixed in the agreement due to exceptional circumstances beyond the control of the parties. These may be, for example, changes in legislation, political decisions, or a significant change in the market price of a good or service (the whole market is affected by a shortage of raw materials, supply difficulties, price increases affecting the price of the good, etc.). For the same reasons, the buyer is also entitled to submit a unilateral declaration of intent to reduce unit prices once per calendar year. A reasoned request shall be submitted if there is a need to change that price. The buyer has the right to assess the justification for the change, including taking comparative tenders from the market and asking the seller for evidence of the reasons for the price increase. The buyer shall not accept a price increase if it appears to be unjustified and/or if the buyer does not have the budgetary means to do so. In the event of a change in the price that has been found to be justified, an annex to the agreement shall be drawn up for the new unit prices. If no declaration is made or if the buyer does not agree to the declaration of price increases, the maximum unit prices set in the reopening of competition shall remain fixed in the agreement.
- 9.3. In the case of one-time purchases, the fixed prices are formed on the basis of reopening of competition organized by the buyer or proposals for submitting a tender. The prices offered for the conclusion of a duration contract are fixed for the duration of the duration contract, the maximum annual price increase during the duration of the duration contract shall not exceed 3% per year from the date of submission of the tender for the reopening of competition.
- 9.4. The unit prices of the service include all costs necessary to fulfill the agreement, including the activities listed in the technical specifications. The service is paid for according to the ordered and actually provided service, based on the handover-acceptance act signed by both parties.
- 9.5. One e-invoice is submitted for one delivery or service provided, unless otherwise agreed.
- 9.6. The seller issues the invoice as an e-invoice (in machine-readable XML format). If a seller, registered outside the Republic of Estonia, is not able to issue an e-invoice for technical reasons, it shall issue the invoice in PDF format to the buyer's contact person's email address specified in the agreement, unless otherwise agreed in the procurement contract.
- 9.7. The seller issues an invoice containing the following information:
 - 9.7.1. Details of the payer (payer of the invoice):
 - Estonian Centre for Defence Investments (registry code 70009764, address Järve 34a, 11314 Tallinn);
 - Estonian Defence Forces (registry code 70008641, address Juhkentali 58, 15007 Tallinn, Estonia);
 - Estonian Defence League (registry code 74000725, address Toompea tn 8, 10130 Tallinn).

- 9.7.2. Other information to be included in the invoice:
Name of the contact person (to be specified in the procurement contract);
Agreement number;
Procurement contract (purchase order) number;
Public procurement reference number;
Quantity and name of goods/type of service and time of provision;
15-digit reference number of the contract part in the public procurement register (if available), which can be found in the data of the agreement concluded with the seller in the public procurement register.
- 9.7.3. The sellers banking records:
The recipient bank;
Bank account number of the recipient;
IBAN;
SWIFT.
- 9.8. If necessary and justified, it is possible for the seller to request an advance payment up to 30% of the total cost of the procurement contract. The seller is obliged to justify the request for advance payment, but the final decision is to be made by the buyer. The buyer has the right to refuse to pay the advance payment, including if the seller has been late with the delivery(s) of fulfilling previous contracts.
- 9.9. The buyer shall pay for the goods and/or services received in accordance with the terms of the agreement within 28 days after receiving the invoice in accordance with the terms of the agreement. The invoice submission is based on the quality control act and/or the delivery note and/or the handover-acceptance act signed by the parties. In the event that the invoice is presented after the transfer of ownership from the seller to the buyer, following a *Factory Acceptance Test* (FAT), the deadline for payment of the invoice may be longer by mutual agreement.
- 9.10. The buyer shall not accept an invoice which does not comply with the terms of the agreement. In such case, the seller will submit a new invoice within seven days. The payment is considered to be finalized when the bank of the buyer accepts the payment order.
- 9.11. Before paying an invoice with a value of 10 000 EUR or more including VAT, the buyer checks the absence of the seller's tax debt via the Tax and Customs Board's website. If a tax debt of at least 10 000 EUR exists, the buyer shall inform the Tax and Customs Board of the amount payable.

10. Force majeure

- 10.1. Breach of contractual obligations is excusable if the party has breached the obligation due to force majeure. The parties consider force majeure to be a circumstance that the breaching party could not influence and, based on the principle of reasonableness, could not be expected to take this circumstance into account or to avoid it at the time of concluding the agreement, or to overcome the impeding circumstance or its consequence, e.g. natural disasters, general power outages, military operations, blockade. The parties do not consider the inability of the seller's third-party contractor to perform the agreement as force majeure unless the party relying on force majeure provides written evidence by itself and/or the subcontractor of the occurrence of force majeure, including the fact that it has no reasonable ability to replace the subcontractor, and the other party has agreed in writing to the occurrence of force majeure.
- 10.2. If any circumstances corresponding to the force majeure led to a failure to perform the agreement within the period specified in the agreement or any annexes thereto, and their effect is temporary, the behaviour of the party who breached the contractual obligation is

- only excused for the period during which the force majeure impeded the performance of the obligation.
- 10.3. In the event of force majeure, the time limit for the performance of a contractual obligation shall be postponed in accordance with the duration of the force majeure event, but for no more than 90 days, unless otherwise agreed by the parties. In case of force majeure, the procurement contract will be amended, if necessary, regarding the delivery time.
 - 10.4. A party that is not able to perform its obligations due to force majeure shall immediately notify the other party of the occurrence and ending of such a situation. Failure to notify or untimely notification deprives the party of the right to rely on the excused non-performance, i.e., the occurrence of force majeure, and the party that has breached the notification obligation is liable for the breach of a contractual obligation pursuant to as provided in the agreement.
 - 10.5. If the effect of force majeure is permanent and does not allow the parties to perform their contractual obligations in full or in part, the parties have the right to cancel or withdraw from the agreement by giving notice of cancellation or withdrawal to the other party.
 - 10.6. The parties shall not consider the impact of import restrictions related to the Russian Federation and Belarus on the fulfillment of the obligation to deliver goods or provide services as force majeure if these circumstances occurred at the time of the conclusion of the agreement.

11. Warranty obligation

- 11.1. If the goods and/or services are covered by a warranty, the seller provides a minimum 12-month warranty for all goods and/or services. If necessary, the warranty period and other warranty conditions are specified in each procurement contract.
- 11.2. The warranty shall commence from the day of transfer of the goods with no deficiencies to the buyer or from the signing of the handover-acceptance act by both parties conforming of the performance of services with no deficiencies to the buyer.
- 11.3. If the manufacturer's warranty is in any way more favourable to the buyer (e.g., in terms of warranty period) than the contractual warranty obligation, the seller undertakes to arrange for the realisation of the buyer's warranty claim upon the occurrence of such an event on terms that are more favourable to the buyer, arising from the terms and conditions of the manufacturer's warranty.
- 11.4. The warranty covers all defects in the goods during the warranty period, taking into account natural wear and manufacturer's instructions.
- 11.5. The buyer undertakes to notify the seller of any defects in the goods or in service provision at the seller's email address, unless otherwise agreed in the procurement contract.
- 11.6. The seller undertakes to remove the defects free of charge no later than 90 days as of the receipt of the buyer's respective reasoned warranty claim. A longer period may be established, subject to the written consent of the buyer. In the event of a systemic error (more than 20% of the delivered goods or provided services are defective), the buyer has the right to demand the replacement of all delivered goods or provided services.
- 11.7. The seller shall bear all expenses for replacing the defective goods (including transport).
- 11.8. After elimination of defects during the warranty period, a new warranty of the same duration as the original warranty is given to the goods or services.

12. Confidentiality and security conditions

- 12.1. Confidential information is understood by the parties to include information disclosed in the course of the performance of the agreement, personal data, security data, documents clearly marked for internal use and other information, the disclosure of which could harm the interests of the buyer. Confidential information does not include information, the disclosure of which is required by legislation, provided that such disclosure is effected in the most restrictive manner from among the available options.

- 12.2. Under the confidentiality clause, a party undertakes not to disclose confidential information of the other party during or after the term of the agreement without the other party's written consent. A party shall protect the confidentiality of the information disclosed to it in the course of the performance of the agreement.
- 12.3. The seller shall not use any document or information related to the agreement without the written consent of the buyer, except for in the cases necessary for the performance of the agreement. All documents other than the agreement and its annexes are the property of the buyer and, if the buyer so requires, the seller is obliged to return these documents to it after the end of the agreement.
- 12.4. Disclosure to third parties of any information marked for internal use shall be prohibited.
- 12.5. If the seller needs to enter the territory of the area of government of the Ministry of Defence in order to perform the agreement, the seller undertakes to comply with the applicable security requirements (Annex 1). In the event that the seller uses subcontractors in the said territory, they shall be approved in writing in advance by the buyer and are also subject to all the security requirements set out in the agreement. The seller is responsible for ensuring that the subcontractors comply with the security requirements.
- 12.6. Communication to the public relating to the subject-matter of the agreement or the performance thereof, including press releases, references to the buyer in advertising or online publications, shall only be permitted with the express consent of the buyer in a format that can be reproduced in writing.
- 12.7. The confidentiality requirement is indefinite.

13. Intellectual Property Rights

- 13.1. In case the goods and/or service or their parts (including relevant documentation and service-related documentation) are protected by intellectual property rights, the seller shall grant the buyer a worldwide irrevocable non-exclusive licence within the meaning of the Copyright Act, valid until the expiry of the copyrights. The licence shall be deemed to have been transferred at the moment of transfer of the goods and/or services or their parts (including the relevant documentation), for which no separate fee is paid (the copyright fee is included in the agreement price).
- 13.2. In case the goods or its part (including corresponding documentation) is protected by another intellectual property right, the seller grants the buyer the necessary right to use the goods in every way.
- 13.3. In the cases specified in this clause, the agreement is also considered an author's contract. The terms of transfer and use of intellectual property rights may be agreed differently in the procurement contract.

14. Codification

The seller shall be obliged to provide the codification office with the information necessary for the codification of the goods in accordance with the Annex 2 to the agreement and to provide additional information at the request of the codification office.

15. Liability

- 15.1. The parties bear responsibility towards each other in case of improper fulfillment or non-fulfillment of contractual obligations in accordance with the provisions of the agreement and applicable legislation.
- 15.2. Ownership of the goods and the risk of accidental loss and damage are usually transferred from the seller to the buyer upon the proper handover, unless the parties have agreed otherwise.
- 15.3. In procurement contracts, the transfer of ownership may be agreed otherwise, for example, the transfer of ownership will take place from the seller to the buyer from the moment the goods pass the pre-delivery quality inspection (Factory Acceptance Test (FAT)),

- for which the buyer prepares the ownership transfer document, which is signed by the parties of the agreement.
- 15.4. The seller is liable for non-conformity (defects) of the goods with the terms of the agreement if the non-conformity exists at the time of the transfer of the risk of accidental destruction and deterioration to the buyer and if the non-conformity of the goods with the terms of the agreement is discovered (i.e., that the defects could not have been discovered during their normal inspection, so-called latent defects) after the transfer of this risk to the buyer.
 - 15.5. The seller is liable for non-conformity with the terms of the service contract (defects), if the non-conformity with the terms of the service contract is discovered (i.e., the defects could not have been discovered during their normal inspection, so-called latent defects) after the service provided.
 - 15.6. In the event that the seller fulfills the agreement improperly, the buyer has the right to refuse to accept the goods or the provided service and to fulfill the obligation to pay the purchase price, and to submit a demand for the fulfillment of the obligation to the seller in the manner stipulated in the agreement after learning of the breach of the obligation, giving the seller a reasonable term to fulfill the agreement. The seller shall be deemed to have delayed the delivery of the goods or the provision of the service until the proper delivery of the goods or provision of the service to the buyer.
 - 15.7. The goods do not correspond to the terms of the agreement, inter alia, when the goods do not possess the agreed upon attributes, the goods are not in the agreed quantity, the goods cannot be used for their agreed purpose, a third party has claims or other claimable rights towards the goods, the goods are not packaged in accordance with the terms of the agreement or there is no delivery note.
 - 15.8. The service do not correspond to the terms of the agreement, inter alia, if the service has not been provided in accordance with the expected quality, the service does not have the agreed characteristics, the service has not been provided for the agreed time term, in the agreed volume, with the prescribed frequency, the seller does not provide proper documentation on the provision of the service, fails to provide the buyer with information about the performance of the agreement, etc.
 - 15.9. The buyer is obliged to inform the seller at least by e-mail about the non-compliance with the terms of the goods or service contract within 30 days from when the buyer or the buyer's authorized person became aware of the non-compliance with the terms of the goods or service contract. In the notification, the buyer undertakes to demand the fulfillment of the obligation from the seller, also giving the seller a reasonable deadline, which cannot generally be longer than 60 days, for the fulfillment of the agreement.
 - 15.10. In the event that the buyer does not notify the seller of a defect in the goods or service within the term specified in the agreement after becoming aware of the defect, the seller is released from responsibility for the defects of the goods or service, except in cases where the failure to notify the defects was reasonably excusable.
 - 15.11. In the event that the goods or the provided service do not meet the terms of the agreement, the buyer has the right to demand from the seller the replacement of non-conforming goods with goods that meet the terms of the agreement or the secondary provision of a non-compliant service by a service which complies with the terms of the agreement.
 - 15.12. If the goods or services do not meet the agreement conditions and the buyer agrees to accept the goods or services with defects, the buyer has the right to reduce the price of the goods or services by the part corresponding to the defects, by submitting an application to the seller.
 - 15.13. In case of non-delivery on time of the goods or non-performance of the service on time, the buyer has the right to demand from the seller a contractual penalty of up to 0.25% of the cost of the goods or services not delivered on time per day for each day of delay in delivery or service, but not more than 15% of the cost of the procurement contract , unless otherwise stipulated in the procurement contract.

- 15.14. In the event of a quantity shortage of the goods, the buyer has the right to accept the corresponding goods and demand from the seller to deliver the missing goods quantity to the destination specified by the buyer within the Republic of Estonia at the seller's expense.
- 15.15. In addition to terminating the agreement or withdrawing from the agreement, the parties have the right to demand liquidated damages, compensation for damage and use other legal remedies for a significant breach of the agreement.
- 15.16. In the event that the seller breaches a contractual obligation other than timely delivery or service provision, the buyer has the right to demand from the seller a contractual penalty of up to 10% of the total cost of the goods or services that are the subject of the procurement contract.
- 15.17. In the event of a breach of the confidentiality obligation, a party is entitled to claim contractual penalty from the breaching party of up to 10 000.00 EUR for each such breach.
- 15.18. In the event that the buyer delays the payment of the invoice, the seller has the right to demand from the buyer up to 0.25% per day of the amount unpaid by the due date stipulated in § 113 clause 1 of the Law of Obligations Act for each day of delay in payment, provided that the buyer has been notified of the delay within 30 days of its occurrence. The total amount of the penalty shall not exceed 10% of the amount in delay.
- 15.19. The contractual penalty is to secure the agreed performance of the obligation, not to replace the performance of the obligation. The imposition of a penalty does not deprive the buyer of the right to demand compensation from the seller for damages caused by breach of contract.
- 15.20. The period for claiming contractual penalties is 180 days from the discovery of the corresponding breach.
- 15.21. The contractual penalties and arrears are paid within 28 days of receiving the corresponding claim, unless the parties have agreed otherwise. The buyer has the right to deduct sums of contractual penalty claims and the sums of compensation for damage submitted by the buyer from the amount payable to the seller.
- 15.22. The parties have the right, by agreement, to replace the contractual penalties (also partially) with the object of the agreement or goods and/or services related to the object of the agreement. The implementation of this clause does not involve the imposition of a contractual penalty, but a separate legal remedy arising from the agreement.

16. Grounds for termination of the agreement

- 16.1. Upon termination/withdrawal from the agreement, the buyer gives the seller a reasonable time limit to fulfill the agreement, which cannot generally be longer than 30 days. The deadline given for the performance of the agreement does not release the party from responsibility for breach of obligation.
- 16.2. The buyer is not obliged to give a deadline for the performance of the agreement in the event of a significant breach of agreement when canceling/withdrawing from the agreement. In this case, the buyer submits a written agreement cancellation-/withdrawal application to the seller within a reasonable time after becoming aware of a significant breach of agreement. Termination/withdrawal of the agreement(s) is deemed to have taken place when the seller has received the termination-/withdrawal application.
- 16.3. Upon expiry of the additional deadline given for the execution of the agreement, the buyer may submit a written application of termination or withdrawal from the agreement(s) to the seller. Termination or withdrawal from the agreement(s) is deemed to have taken place from the date of receipt of the termination-withdrawal application by the seller. The buyer shall not submit a written application, if by giving the additional deadline for fulfilling the agreement the buyer has explained to the seller in writing that if the seller shall not fulfill the obligations in additional deadline, the buyer shall terminate the agreement. In this case the agreement shall terminate by the expiry of the additional deadline and on term that the seller has not offered a suitable fulfilment to the buyer.
- 16.4. The party shall have the right to terminate or withdrawal from the agreement if the party has significantly breached the contractual obligations arising from the agreement

(significant breach of contractual obligations). A significant breaches of agreement are, among other things, if:

- 16.4.1. Contractual obligations are violated intentionally or due to gross negligence;
 - 16.4.2. The seller has failed to fulfill his obligations within the additional deadline given by the buyer;
 - 16.4.3. the seller notifies the buyer of the refusal to perform;
 - 16.4.4. The seller has not started the execution of the agreement within the time that would allow the agreement to be executed on time;
 - 16.4.5. False information or falsified data is provided;
 - 16.4.6. The obligation of confidentiality is breached;
 - 16.4.7. Breach of obligation gives a party a reasonable reason to expect that the other party will not fulfill the obligation in the future;
 - 16.4.8. During the validity of the agreement, the seller commits breach of the law in relation to the sale of goods or the provision of services that are the subject of the agreement;
 - 16.4.9. The seller's permits necessary for the performance of the agreement expire and the seller does not extend them or the extension of permits is not possible;
 - 16.4.10. the seller has breached the terms of the agreement more than three times, which are not mentioned in clauses 16.4.1-16.4.10.
- 16.5. The buyer shall have the right to terminate the agreement exceptionally if the seller has been declared bankrupt or has entered into liquidation proceedings.
 - 16.6. The buyer shall have the right to terminate the agreement at any time by giving at least 30 calendar days advance notice to the seller.
 - 16.7. The parties have the right to terminate the agreement at any time by agreement of the parties.
 - 16.8. Upon termination of the agreement, the parties are not obligated to perform the agreement. Upon cancellation or withdrawal of agreement, the parties are required to return that which has been delivered in advance with respect to the time of cancellation of the agreement in accordance with the procedure provided for in the Law of Obligations Act.

17. Contact persons

- 17.1. The buyer's contact person is the representative of the relevant field, who at the time of signing the agreement is Meelika Piht (phone. +372 5420 0811, e-mail meelika.piht@ecdi.ee).
- 17.2. The submitter of purchase orders is buyer's purchasing project manager or authorized persons of the buyer's contact person. The granting and withdrawal of authorization is done by e-mail or specified in the procurement contract.
- 17.3. The seller's contact person is Sacha Gabory (phone +33 (0)6 38 86 51 78, e-mail Sacha.gabory@KNDS.fr).
- 17.4. The contact persons for acceptance of the goods or services shall be agreed in the procurement contract.
- 17.5. All notices that do not have legal consequences are submitted by e-mail and shall be addressed to the contact persons of the agreement, unless otherwise agreed in the procurement contract.
- 17.6. A party shall notify the other party of any change in the contact person or other details by e-mail without delay. This notification shall not be deemed to constitute an amendment to the agreement. As of the receipt of the notification, the contact person or other details shall be deemed to have been changed and no separate agreement amendment shall be concluded.

18. Final Provisions

- 18.1. The agreement shall enter into force when the buyer has signed it.
- 18.2. The agreement is valid for 84 months from the date of entry into force or until the maximum value of the agreements specified in clause 9.1, whichever comes first. When calculating the total cost of agreements, all procurement contracts and/or submitted purchase orders based on agreements are taken into account, regardless of the fact that the parties may be different sellers.
- 18.3. The language of execution of the agreement is Estonian or English, unless the parties have agreed otherwise. In case of contradictions between Estonian and English documents, the Estonian version prevails.
- 18.4. The legislation of the Republic of Estonia shall be used in the performance of the agreement and in the event of disputes arising from the agreement, unless the parties have agreed otherwise.
- 18.5. The parties have agreed to use all measures to resolve their differences through negotiations. If no agreement is reached, the dispute will be resolved in accordance with the law of the Republic of Estonia in the Harju County Court, unless the parties have agreed otherwise.
- 18.6. The invalidity of a single provision of the agreement does not lead to the invalidity of the entire agreement or other provisions of the agreement.
- 18.7. Neither party has the right to transfer its contractual rights and obligations to third parties without the written consent of the other party.
- 18.8. Amendments to the agreement may be agreed under the conditions laid down in the Public Procurement Act.
- 18.9. Amendments to the agreement shall be valid if they are in writing. The amendments to the agreement shall be void if the written form is not complied with. Any amendment to the agreement shall enter into force after it has been signed by the parties or within a period to be determined by the parties.
- 18.10. The transmission of notices with legal significance between the parties must be done in writing or digitally signed by e-mail. The notice shall be deemed to have been received even if it has been delivered by the postal authority to the location specified in the return notice agreement and 5 days have passed since the notice was posted. If the notification is sent by e-mail, it shall be deemed to have been received on the following working day.
- 18.11. The agreement is drawn up in one copy and signed digitally or the agreement is drawn up in two copies with equal legal force and signed by hand.
- 18.12. If the agreement is signed by hand, the parties have the right to send the signed agreement to the other party for signature by e-mail in scanned PDF-format, which the other party signs and sends back in scanned PDF-format by e-mail. The parties are obliged to also deliver the original documents within 15 days after signing, but the agreement will enter into force from the date of the buyer's signature, delivered by e-mail.

19. Annexes

- 19.1. Annex 1. Security requirements;
- 19.2. Annex 2. Codification conditions.

Buyer:

 09.01.2026

(signature, date)

Katri Raudsepp
Deputy Director General
acting as Director General

Seller:

 30/03/2026

Olivier Travert
Export Sales and Marketing Director

