

**STANDARD TERMS AND CONDITIONS OF PURCHASE
OF
SAFRAN POWER UNITS, SAN DIEGO, LLC**

May 2016 Revision

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**STANDARD TERMS AND CONDITIONS OF PURCHASE
OF
SAFFRAN POWER UNITS, LLC**

DEFINITIONS:

Agreement: shall mean these Terms and Conditions together with the Order pursuant to which goods or services are being provided and all documents specifically referenced herein or in such Order.

Buyer: shall mean the Safran-affiliated company issuing the Order.

Deliverables: shall mean Goods and/or Services depending on the context.

Intellectual Property: shall mean all inventions, patents, software, copyrights, mask works, industrial property rights, trademarks, trade secrets, know-how, proprietary information and rights and information of a similar nature. Such information includes, without limitation, designs, processes, drawings, prints, specifications, reports, data, technical information, and instructions.

Goods: shall mean materials or products described in Orders, the purchase of which is governed by the terms of this Agreement.

SAFRAN: shall mean SAFRAN POWER UNITS, SAN DIEGO, LLC, a Delaware limited liability company.

Order: shall mean a document, electronic or hard copy, issued by Buyer to Supplier, in the form of a purchase order or release or similar document, referring to these Terms and Conditions and ordering Deliverables.

Supplier: shall mean the individual, partnership, corporation or other entity contracting to furnish the Deliverables described in the Order, to whom the Order is issued by Buyer.

Services: shall mean services (whether or not ancillary to a sale of Goods) described in Orders, the purchase of which is governed by the terms of this Agreement.

Terms and Conditions: shall mean these Standard Terms and Conditions of Purchase, as may be revised from time to time by Buyer.

1. SCOPE OF THE AGREEMENT

- 1.1. This Agreement must be accepted as indicated in Orders or, if Orders do not provide, in writing by Supplier within the time specified on the face of the Order or, if not so specified, within a reasonable time of Supplier's receipt hereof.
- 1.2. If for any reason Supplier fails to accept this Agreement in writing or as specified in the Order, the furnishing or commencement of any Goods or Services called for hereunder, (including preparation for manufacture), the shipment by Supplier of any Goods (or lots thereof) ordered hereby, the acceptance of any payment by Supplier hereunder, or any other conduct by Supplier that recognizes the existence of a contract pertaining to the subject matter hereof, may, at Buyer's election, be treated as an unqualified acceptance by Supplier of this Agreement and all the terms and conditions hereof.
- 1.3. Any terms or conditions proposed in Supplier's acceptance or in any acknowledgment, invoice, or other form of Supplier that add to, vary from, or conflict with the terms herein are hereby rejected. Any such proposed terms shall be void and the terms and conditions of this Agreement shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and shall apply to each Deliverable received by Buyer from Supplier hereunder, and such terms and conditions may hereafter be modified only by written instrument executed by an authorized representative of Buyer's Purchasing Department and an

authorized representative of Supplier.

- 1.4. If the Order is issued by Buyer in response to an offer by Supplier and if any of the terms herein are additional to or different from any terms of such offer, then the issuance of the Order by Buyer shall constitute an acceptance of such offer subject to the express condition that Supplier assents to all such additional and different terms herein and acknowledges that this Agreement constitutes the entire agreement between Buyer and Supplier with respect to the subject matter hereof. Supplier shall be deemed to have so assented and acknowledged unless Supplier notifies Buyer to the contrary in writing within ten (10) days of receipt of the relevant Order.

2. CONTRACTUAL DOCUMENTS

- 2.1 These Terms and Conditions set forth the contractual relationship between the Supplier and the Buyer within the framework of the Orders. These Terms and Conditions may be completed, clarified, or amended by special terms and conditions within the framework of a document negotiated and signed by the Supplier and the Buyer. These Terms and Conditions may also be supplemented by the issuance of additional specifications sent, or agreed to in writing, by the Buyer. The relationship between the Buyer and the Supplier related to the supply is governed by the following contractual documents (collectively, the "Contractual Documents"), listed in order of decreasing priority:

- If applicable, the contract or the special terms and conditions of purchase;
- The Standard Terms and Conditions of Purchase;
- The Order;
- The Specifications;

In the event of contradiction between any two documents listed above, the document listed higher shall prevail. Supplier shall adopt and comply without exception to the latest published set of Terms and Conditions of Safran. Such Terms of Conditions of Safran shall be made readily available on the Internet, supplier portal, or provided to Supplier in hard copy upon written request. The Parties recognize that the URL may change from time to time and agree that any such change will not affect the applicability of the material referenced.

3. PRICE AND PAYMENT

- 3.1. **Payment terms:** Payment terms will be net 60 days following (i) receipt of conforming Deliverables delivered pursuant to Buyer's delivery requirements, and (ii) satisfaction of the invoicing requirements (electronic or otherwise) set forth in this Agreement.
- 3.2. Supplier warrants that the agreed price for the Deliverables is not less favorable than that currently extended to any other buyer for the same or like Deliverables in similar quantities.
- 3.3. **Cash Discount:** The cash discount period, if any, shall be computed as commencing with receipt by Buyer of invoice or of Deliverables, whichever is later.
- 3.4. **Invoices:** All invoices must contain the following information: Purchase order number, item number, description of items, quantities, unit prices, and taxes. Payments of invoices shall not constitute acceptance of Deliverables and shall be subject to adjustment for shortages, defects and other failure of Supplier to meet the requirements of this Agreement. Buyer or any of its affiliated companies may set off any amount owed by Supplier or any of its affiliated companies to Buyer or any of its affiliated companies against any amount owed by Buyer hereunder. In accordance with U.S. Bureau of Customs and Border Protection ("CBP") Regulations – 19 CFR 141.81, a commercial invoice will be presented with each merchandise shipment entering the U.S. Such invoice shall be prepared in the English language (or an English translation attached thereto), in accordance with 19 CFR 141.86-141.89.

- 3.5. Buyer shall not be obligated to pay for any Deliverable if the invoice for such Deliverable is received more than twelve (12) months after the receipt of the Deliverable.

4. TAXES

- 4.1. Unless otherwise stated in this Agreement, all payments, prices, fixed or otherwise, sums, fees and monetary amounts mentioned in this Agreement are exclusive of any and all sales and use taxes, value added taxes, goods and services taxes, taxes levied upon importation, such as customs duties, excises, or any other taxes ("Taxes") levied in regard of any of the transactions covered by this Agreement.
- 4.2. When invoicing, Supplier shall a) include amounts of Taxes, or specific fees Supplier is required by applicable law to add-on to the sales price and collect from Buyer or otherwise is legally due from Buyer and b) separately state each of the Taxes.
- 4.3. Supplier is solely responsible for the fulfillment of Supplier's obligations under law or statute in respect to collecting and remitting Taxes collected from Buyer under this Agreement to the proper tax authority. Any penalties, fees or interest charges imposed by a tax authority or other authority as the result of non-payment of Taxes collected by Supplier from Buyer will be borne by Supplier. Supplier shall also pay any Taxes arising out of its willful misconduct or negligence for which Buyer becomes liable.
- 4.4. Supplier shall not collect Taxes on the supply of goods and services under this Agreement in case and under circumstances where a) the transaction is not subject to Taxes, b) the liability for payment of Taxes is shifted or reversed by law or statute or otherwise is the legal responsibility of the Buyer or c) Buyer has been authorized to pay Taxes directly to the appropriate Tax authority.
- 4.5. Supplier shall deliver electronically by way of the Internet all software of any type, including manuals. Supplier shall separately itemize the prices of electronically delivered software, licenses, fees and Services on invoices. Invoices shall clearly indicate the manner of software delivery by inclusion of the phrase, "software delivered electronically to the customer via the internet." License locations should clearly be stipulated in this Agreement to allow for proper allocation of any Taxes owed.
- 4.6. Supplier warrants that invoices issued in relation to goods and services supplied under this Agreement are in compliance with any and all requirements as to content and format imposed by tax and/or civil statute that has jurisdiction over the transaction or transactions performed by the Supplier.
- 4.7. Buyer shall withhold any portion of the monies from the amount payable under the invoices issued to it to account for any withholding for Taxes that is required to be made by the Buyer pursuant to the tax laws in the relevant tax jurisdiction. Any such amount required to be withheld by the Buyer on behalf of the Supplier shall be deemed a payment on account of the relevant invoices issued to the Buyer. Buyer shall provide Supplier with receipts supporting any Taxes withheld.
- 4.8. Buyer is not responsible for any Tax based on Supplier's income, payroll or gross receipts.
- 4.9. Buyer shall report and remit any Taxes relating to property for which Buyer retains title pursuant to this Agreement, accruing prior to and after the commencement of this Agreement. Where Supplier possesses Buyer-owned property, Supplier shall notify Buyer of any disposal or movement of such property. Supplier shall report and remit any property-related Taxes relating to property for which Supplier retains title pursuant to this Agreement, accruing prior to and after the commencement of this Agreement.
- 4.10. Supplier shall, upon receipt from any Tax Authority of any levy, notice, assessment, or withholding of any Taxes for which Buyer may be obligated, notify Buyer in writing directed to: Manager, Tax Compliance, Safran, LLC at the address provided by Safran.

- 4.11. Supplier shall cooperate in the equitable resolution of disputes pertaining to any Taxes arising from this Agreement. If Buyer may directly contest any Taxes in its own name, then it may do so and, to the extent permitted by law, withhold payment during contest pendency. If Buyer is not so permitted, Supplier shall in good faith, as requested by Buyer, contest the Taxes. Supplier shall supply Buyer with information and documents as Buyer may reasonably request for Buyer to control or participate in any proceeding to the extent permitted herein.
- 4.12. If Supplier receives a refund of any Taxes attributable to Buyer; Supplier shall pay such amount to Buyer within thirty (30) days of receipt. Supplier shall indemnify Buyer against any and all losses, costs, and expenses (including reasonable attorneys' fees) which result from Supplier's violation of its obligations under this section.

5. DELIVERY

- 5.1. Supplier shall furnish the items called for by this Agreement in accordance with the delivery terms stated on the Order and if delivery dates are not stated, Supplier shall offer Buyer its best delivery dates, subject to written acceptance by Buyer ("Delivery Dates"). Time is of the essence in Supplier's performance of the Order, and Supplier shall deliver Goods and perform Services by the Delivery Dates. Buyer may from time-to-time adjust its delivery schedules, and unless otherwise agreed in writing, such changes in schedule shall not affect the prices of the Deliverables ordered. Buyer may defer payment or return at Supplier's expense, any Deliverables delivered in advance of the scheduled Delivery Date or in excess of the quantity specified for such items.
- 5.2. Unless otherwise expressly set forth in the Order, the delivery terms for Goods shall be: DDP Buyer's facility Incoterms 2010 provided that Supplier shall be responsible for unloading of the Goods in accordance with Buyer's instructions and the risk of unloading will be that of Supplier. As consistent with this delivery term, standard delivery instructions of the relevant procurement department apply and may be obtained through the relevant Buyer procurement representative. Title shall pass to Buyer on delivery of Goods as provided in this section. If delivery is required to be made to a third party (drop shipment), title and risk of loss shall pass to Buyer when delivered at the consignee's facility.
- 5.3. **Notice Of Delay:** Whenever an actual or potential reason for delay (including but not limited to labor disputes), delays or threatens to delay the timely performance of the Order, Supplier agrees to immediately notify Buyer in writing of all relevant information and, subject to the force majeure provision set forth herein, to make and pay for all necessary changes to fulfill its obligations under the Order and mitigate the potential impact of any such delay. Buyer has the right without incurring any liability to cancel any Deliverables affected by the delay in performance.
- 5.4. In the event of failure to meet contractual deadlines, the Buyer shall in its sole and absolute discretion:
 - apply, unless otherwise agreed by the Parties in a signed document, automatically, and without prior notice, late fees equivalent to 0.5% of the pre-tax price of the relevant Order per calendar day delay, these liquidated damages being capped at 15% of the pre-tax amount of the Order and/or
 - terminate the Order under the terms and conditions referred to in Article 27, "Termination" below, without any indemnity being due to the Supplier.

These late fees do not apply as full discharge and thus cannot be considered as full and final compensation for the loss sustained by the Buyer. The Buyer shall notify the Supplier of the amount of late fees in writing (the "Late Fees Notice"). The Supplier agrees that the Buyer may deduct, the late fees from the amount due to the Supplier with respect to the late Order; provided that the Supplier has not disputed, in writing, the facts of the grievance or has not already paid to

the Buyer the amount claimed within ten (10) calendar days of receiving the Late Fees Notice.

In the event of early delivery or delivery of excess quantities of the Supply, the Buyer reserves the right either (i) to accept the early or excess Supply, (ii) to make the early or excess Supply available to the Supplier at the Supplier's own risk, or (iii) to return the early or excess Supply at the Supplier's own cost and risk.

- 5.5. **Cessation of Production:** Supplier shall give Buyer at least one hundred eighty (180) days prior written notice of the permanent discontinuance of production of items covered by Orders, provided however that compliance with this provision shall in no way relieve the Supplier from its obligations under the Order.
- 5.6. **Packing:** Supplier shall not charge separately for packaging, packing or boxing, unless Buyer has agreed to such charges in writing. Supplier shall not combine in the same container, material that is to be delivered to different receiving locations. All wood products used in packaging shall be ISPM 15 compliant.
- 5.7. **Marking:** Unless otherwise agreed in writing, exterior containers shall be marked with the following: (1) Address of Buyer site and Supplier; (2) Order number; (3) Part number; (4) Special markings called for on the Order; (5) Quantity; and (6) (where applicable) Vendor Code or other vendor identification number. In accordance with CBP Regulations 19 CFR 134, unless excepted, every article of foreign origin (or its container) imported into the U.S. shall be marked in a conspicuous place as legibly, indelibly and permanently as the nature of the article or its container will permit, in such a manner as to indicate to the ultimate purchaser in the U.S. the English name of the country of origin of the article.
- 5.8. **Bills of Lading:** Bills of Lading shall reference the Order and Buyer's receiving address and purchase point of contact. When Buyer will be the importer of record, Supplier will follow the instructions of Buyer's designated representative regarding completion of documentation used in the importation process and proper declaration of value. The original copy of the bill of lading with Supplier's invoice shall be mailed to the location specified by Buyer's procurement contact, or if no location is specified by Buyer, to Buyer's applicable Accounts Payable Department or Accounts Payable service provider.
- 5.9. **Packing Slip:** Supplier shall include an itemized packing slip with all shipments that will adequately identify the Goods shipped, including Buyer PO number, part number and quantity.
- 5.10. **Shipping and Approved Carriers:** On Orders where Buyer either pays for or reimburses Supplier directly for shipping costs, Goods shall be shipped in accordance with routing instructions furnished by Buyer. If such instructions are not received, Goods shall be shipped via least expensive method sufficient to meet delivery requirements, but always through Buyer approved carriers.

6. PRIME OR CUSTOMER CONTRACT REQUIREMENTS

- 6.1. When Supplier's work hereunder will form a part of the work, whether Goods or Services, under a contract that Buyer has with another or others, Supplier agrees, by its acceptance hereof, to be bound to Buyer in the same manner and to the same extent that Buyer is bound to its customer. Supplier further agrees that it has examined the customer drawings and specifications provided by Buyer (if any) and that it will be bound by such drawings and specifications in the same manner and to the same extent that the Buyer is bound to its customer.

7. INSPECTION/ACCEPTANCE/REJECTION

- 7.1. All Deliverables being provided to Buyer's specifications covered by the Order may be inspected and tested by Buyer or its designee, at all reasonable times and places, including during manufacture. Supplier shall provide, without additional charge, all reasonable facilities and

assistance for such inspections and tests.

- 7.2. All inspection records relating to Deliverables covered by the Order and being manufactured to Buyer's specifications and/or drawings shall be available to Buyer during the performance of the Order and for such longer periods as specified by Buyer.
- 7.3. Deliverables furnished hereunder shall have zero defects, and Supplier has the obligation to properly inspect such items prior to delivery to Buyer. If any Deliverables covered by the Order are defective or otherwise not in conformity with the requirements of the Order, Buyer may, (i) rescind the Order as to such Deliverables, and rescind the entire Agreement if such defect or non-conformity materially affects Buyer; (ii) accept such Deliverables at an equitable reduction in price; or (iii) reject such Deliverables and require the delivery of replacements. Deliveries of replacements shall be accompanied by a written notice specifying that such Deliverables are replacements. If Supplier fails to deliver required replacements promptly, Buyer may (i) replace, obtain or correct such Deliverables and charge Supplier the cost occasioned Buyer thereby, and/or (ii) terminate the Order for cause.
- 7.4. Rejected Deliverables may be returned to Supplier at Supplier's cost.
- 7.5. Supplier shall notify Buyer of any nonconforming product prior to shipment. If Supplier discovers that nonconforming material has been shipped to Safran, the supplier shall notify Buyer of the escape within two business days of discovery. Supplier will arrange with Buyer to provide disposition on the nonconforming material.
- 7.6. The Supplier shall flow down all requirements contained within this purchase order, including these Quality Clauses to any sub-tier supplier, including key product characteristics when defined. Further, the Supplier's quality system shall meet the quality requirements applicable to the suppliers as stated in the procedures or any other documents released to the Supplier by the Buyer. Upon reasonable prior notice, throughout the duration of the Supplier's performance, the Supplier undertakes to grant Buyer, FAA, EASA or other government regulatory agency, and reserve the right of entry to survey the suppliers Quality management system, processes, and sub-tiers to ensure progress of completion of the purchase order and to review all applicable records or that of the Supplier's sub-tier suppliers. The Supplier shall obtain these same rights from any of its subcontractors.
- 7.7. Supplier will comply with, and all deliveries of Parts will be consistent with the set-forth quality requirements of Buyer, as set forth in: Buyer's quality documentation, including, without limitation, OP-741-02 and GRP-0087, and all subsequent versions thereof applicable at the time of deliveries ("Buyer's Quality Documentation"); Orders and/or Releases; Specifications; and otherwise.

8. CHANGE ORDERS

Supplier is responsible for all changes to its Products and Systems at any time, within the Scope of Work (SOW) or as outlined in the Procurement Specification. Buyer shall give Supplier written notice of any such change which notice may include any increase or decrease in the cost of or the time required for performance of the Contract determined by Buyer to be appropriate. In the event of major scope changes or extraordinary circumstances, Supplier shall be compensated by Buyer to the extent of scope change. Any claims by Supplier for adjustments after its receipt of Buyer's change order must be asserted in writing to Buyer not more than ten (10) days after such receipt by Supplier.

Any design or contract change instituted by the Supplier shall only be performed with Buyer's written approval of consent.

9. WARRANTIES

- 9.1. Supplier expressly covenants and warrants that all Deliverables shall conform to the specifications, drawings, samples or other description upon which the Order is based, shall be suitable for the purpose intended, merchantable, free from defects in material and workmanship, and free from liens, or encumbrances of title, and that Deliverables of Supplier's design will be free from defect in design. Inspection, test, acceptance or use of Deliverables furnished hereunder shall not affect Supplier's obligation under this warranty, and such warranties shall survive inspection, test, acceptance and use. This warranty shall run to Buyer, its successors, assigns, customers, and the users of the Deliverables. Supplier agrees to replace or correct defects of any Deliverables not conforming to the foregoing warranty promptly, without expense to Buyer, when notified of such nonconformity by Buyer. In the event of failure by Supplier to correct defects in or replace nonconforming Deliverables promptly, Buyer, after reasonable notice to Supplier, may make such correction or replace such Deliverables and charge Supplier for the cost incurred by Buyer thereby. Supplier further warrants that all work will be performed in a professional manner in accordance with the highest industry standards.
- 9.2. **Permits and Licenses:** Except for permits and/or licenses required by statute or regulation to be obtained by Buyer, Supplier agrees to obtain and maintain - at its own expense - all permits, licenses and other forms of documentation required by Supplier in order to comply with all existing national, state, provincial or local laws, ordinances, and regulations, or of other governmental agency, which may be applicable to Supplier's performance of work hereunder. Buyer reserves the right to review and approve all applications, permits, and licenses prior to the commencement of any work hereunder.
- 9.3. **Product Support Obligation:** Supplier shall maintain the ability to provide, and shall provide, product support for the Goods, which shall include, without limitation, assuring that subcomponents and materials are available, maintaining tooling and other production capability and reengineering components or systems to address obsolescence until the later of ten (10) years after the last Order is placed by Buyer for Goods or less than five (5) end products incorporating Goods are in operation anywhere in the world.

10. ENVIRONMENTAL, HEALTH & SAFETY

- 10.1. **Test Reports:** Any Supplier test reports or other test results related to the Deliverables shall be provided to Buyer as set forth in the terms of the Order, or if not specified in the Order terms, upon Buyer's request.
- 10.2. **Environmental and Safety:** Supplier agrees to comply with Buyer's environmental, health and safety standards during Supplier's performance hereunder and when at Buyer's jobsites, including without limitation, Buyer's jobsite safety rules; and if Supplier is unable or unwilling to comply with such requirements, the Order can be withdrawn without further recourse by Supplier. Specifically, and without limitation, Supplier agrees to: (1) Comply with the applicable national, state, provincial or local environmental, occupational health and/or safety legislation or regulations. (2) Supply to employees and require that all employees wear specified safety equipment, including but not limited to eye protection and foot protection. (3) Adhere to all Buyer's safety requirements and instructions as indicated by Buyer or Buyer's representatives including without limitation, if Supplier will be performing Services within Buyer's facilities, the compliance requirements and restrictions applicable to Services performed within Buyer's facilities. (4) Immediately prior to commencement of any work or service, contact a responsible Buyer representative. (5) Submit the Workers' Compensation Board Firm Number to Buyer's safety office. (6) Require its suppliers to agree to the requirements of this section and the section of this Agreement entitled "Compliance with Laws".
- 10.3. **Use Of Hazardous Substances:** Supplier agrees to provide, upon and as requested by

Buyer to satisfy any applicable regulatory or customer requirements restricting the use of any hazardous substances, all reasonably necessary documentation to verify the material composition, on a substance by substance basis including quantity used of each substance, of any Goods ordered by Buyer and/or that any process used to make, assemble, use, maintain or repair any Goods ordered by Buyer does not contain particular hazardous substances specified by Buyer or violate any applicable laws, including, without limitation, those set forth in Section 22 below.

11. SECURITY

This provision applies whenever Supplier's employees, agents, representatives, subcontractors, subcontractor employees, or any other person used by Supplier (collectively, "Supplier Personnel") will be granted access to (1) Buyer's facilities or the facilities of Buyer's customers ("Facilities") and/or (2) Buyer's or Buyer's customer's computer-based information systems, computer systems, databases and/or files ("Systems").

Supplier is responsible for ensuring that any Supplier Personnel requiring access to Facilities and/or Systems meets the following minimum requirements designed to assess honesty and trustworthiness:

- 11.1. Access to Facilities and/or Systems in the United States. In advance of Buyer granting Supplier Personnel access to Facilities and/or Systems, Supplier shall perform a global sanctions search (i.e., a multi-source search including U.S. and foreign databases generally known as "denied party screening lists") on Supplier Personnel and provide written certification in the form provided by Buyer that Supplier Personnel have not been identified in any such screenings.
- 11.2. In the event Supplier Personnel is performing work under, or given access to (i) information or data controlled for export purposes under U.S. law or (ii) information or data related to Buyer's contracts with the U.S. government or subcontracts thereunder (as may be indicated by the appearance of a government contract number elsewhere in this Agreement or the applicable Release), or if Buyer otherwise specifically requires, as allowable by local/applicable laws, Supplier Personnel shall also be a "U.S. person" as defined by 22 CFR § 120.15. Buyer may further direct Supplier to use a qualified service provider to verify "U.S. person" status, at Supplier's sole cost and expense; and Supplier shall retain documents verifying that the requirements of this paragraph 10.3 have been satisfied.
- 11.3. Buyer and the Safran Participating Sites reserve the right to impose additional requirements before granting Supplier Personnel access to Facilities and/or Systems (e.g., drug screening, credit check, security clearance, signing an intellectual property agreement). If additional requirements are imposed, Supplier shall provide Buyer with written certification in the form provided by Buyer that the requirements have been met. Supplier shall retain documents verifying that the additional requirements have been satisfied. Buyer or the Safran Participating Sites may further direct Supplier to use a designated service provider to verify authorization to work, U.S. person and/or citizenship status, along with additional attributes regarding citizenship and the Supplier, at Supplier's sole cost and expense.
- 11.4. Should Supplier desire to assign Supplier Personnel that do not fully meet the requirements herein, Supplier may make a request for an exception in writing to Buyer, detailing the specific circumstances. Buyer may, on a case-by-case basis and in its sole discretion, either grant or deny any such requests.
- 11.5. Failure to provide the certifications required herein may result in a refusal to grant Supplier Personnel access to Facilities and/or Systems, and Supplier shall be responsible for promptly providing a replacement.
- 11.6. Supplier shall immediately update Buyer if, at any time during performance of this Agreement, any information related to Supplier Personnel is altered or rendered inaccurate for any reason.

Inability of Supplier to comply with the requirements of this provision shall not excuse Supplier from performing this Agreement and shall not constitute an excusable delay.

- 11.7. Buyer may (i) audit the methodology, process, and results relied upon by Supplier to confirm that Supplier Personnel meet the requirements herein, and (ii) deny access to Facilities and/or Systems where Buyer reasonably believes that Supplier Personnel do not meet the requirements of this Section 10.
- 11.8. Supplier represents and warrants that if individuals and/or entities other than Supplier Personnel are engaged by it in the performance of this Agreement, Supplier shall require these individuals and/or entities to satisfy requirements no less than those stipulated herein.
- 11.9. Supplier acknowledges and agrees that any breach of this Section 10 may result in a violation of U.S. law for which Buyer, Supplier, and/or Supplier Personnel may be liable.

12. ETHICS

- 12.1. The Supplier represents and warrants that:
 - (i) It has not infringed any anti-corruption laws or regulations,
 - (ii) It has not been subject to any civil or criminal sanctions for infringement of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against it,
 - (iii) To the best of its knowledge, no executive or manager of the Supplier has been subject to any civil or criminal sanctions for infringement of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against such persons.
- 12.2. The Supplier warrants that:
 - (i) It complies and shall comply with the legal provisions against corruption in accordance with the Convention of 1997 and the United Nations Convention Against Corruption of 2003 (UNCAC),
 - (ii) It has not granted and shall not grant, directly or indirectly, any gift, present, payment, remuneration or benefit whatsoever (trip, etc.) to anyone with a view to or in exchange for the conclusion of an Order.

The Supplier shall notify the Buyer's Purchasing Department of any gift, present, payment, remuneration or benefit whatsoever that it might grant either directly or indirectly to any employee, officer or representative of the Buyer or of any Safran group company or to anyone that might influence their decision within the framework of the performance of an Order.

In the event of failure to comply with this clause, the Buyer shall automatically have the right to terminate the Orders in progress with immediate effect and without compensation, and without prejudice to any remedies the Buyer may take against the Supplier.

13. INTELLECTUAL PROPERTY

- 13.1. "Background Intellectual Property" shall mean all Intellectual Property other than Foreground Intellectual Property.
- 13.2. "Foreground Intellectual Property" shall mean all Intellectual Property and tangible work product conceived, created, acquired, or first reduced to practice in connection with the Order.
- 13.3. Each Party retains its existing rights in Background Intellectual Property.
- 13.4. Buyer shall own all Foreground Intellectual Property. Supplier shall disclose to Buyer all Foreground Intellectual Property. If not expressly required to be delivered in the Order, Supplier shall deliver to Buyer all Foreground Intellectual Property upon written request from Buyer.

Supplier hereby irrevocably assigns and promises to assign to Buyer all right, title and interest to all Foreground Intellectual Property. Supplier agrees to do all things reasonably necessary to enable Buyer to secure and perfect Buyer's Foreground Intellectual Property rights, including, without limitation, executing specific assignments of title in Foreground Intellectual Property by Supplier to Buyer and cooperating with Buyer at Buyer's expense to defend and enforce Buyer's rights in any such Foreground Intellectual Property. All Foreground Intellectual Property assigned to Buyer pursuant to the Order shall be considered Buyer's Proprietary Information (defined hereinafter). Supplier agrees that, for any works of authorship created by Supplier or any employees or any others used by Supplier in the course of the Order, those works that come under one of the categories of "Works Made for Hire" in 17 U.S.C. §101 shall be considered "Works Made for Hire". For any works of authorship that do not come under such categories, Supplier, warranting that it has the right to do so, hereby assigns and promises to assign all right, title, and interest to any copyright in such works to Buyer and will execute, or cause to be executed at Buyer's expense, any documents required to establish Buyer's ownership of such copyright.

- 13.5. Supplier represents and warrants that Supplier has sufficient rights in all Goods, Services, and Intellectual Property and other items that Supplier uses or transfers to Buyer in connection with the Order to allow Supplier to lawfully comply with the Order.
- 13.6. Supplier hereby grants and promises to grant to Buyer and Buyer's Affiliates a worldwide, non-exclusive, perpetual, fully-paid, irrevocable, transferable license to all Background Intellectual Property related to the Goods (i) to use, sell, offer for sale, import, and/or export such Goods, (ii) to copy and supply any drawings in connection with the use or sale of such Goods, and (iii) to enable Buyer to use the Foreground Intellectual Property.
- 13.7. Supplier hereby irrevocably waives and promises to waive all moral rights to the extent permissible by law, all rights of privacy and publicity, and the like, in all Goods provided to Buyer and in all activities in connection with the Order.
- 13.8. Supplier represents and warrants that Supplier shall not provide, in the performance of the Order, any software, including without limitation source code, compiled code, embedded software, firmware, free software, open source software, freeware, general public license-governed software, or any electronic hardware including without limitation free hardware designs, or open source hardware designs, in any form that is subject to any obligations or conditions that may provide a legal right to any third party to access such software and/or electronic hardware, or that could otherwise impose any limitation or condition on Buyer's use, reproduction, modification, distribution or conveyance of such software or electronic hardware.
- 13.9. Except as expressly authorized herein, nothing in the Order shall be construed as Buyer granting Supplier a license in or any right to use any of Buyer's Intellectual Property other than in the performance of work under the Order.

14. BUYER'S PROPERTY

All tools, equipment dies, gauges, models, drawings or other materials furnished by Buyer to Supplier or made by Supplier for the purpose of this Agreement or paid for by Buyer and all replacements thereof and materials attached thereto, shall be and remain the property of Buyer. All Buyer's property and, whenever applicable, each individual item thereof, will be plainly marked and otherwise adequately identified by Supplier as being Buyer's property, will at Supplier's expense be safely stored (separate and apart from Supplier's property whenever practicable) and maintained and will be kept free of all liens, claims, encumbrances and interests of third parties. Supplier shall be responsible for loss of and damage to Buyer's property. Supplier will not substitute any property for Buyer's property, will not deliver or make available to any third party any of Buyer's property or any property or goods developed, manufactured or created with the aid of any of Buyer's property and will not use any of Buyer's property or any property or goods manufactured, developed or created with the aid of Buyer's property, except in fulfilling the Orders of Buyer. Upon completion by Supplier of the Order, or upon the written request of Buyer at any time, Supplier will prepare all Buyer's property for shipment and deliver such property to Buyer in the same condition as originally received by Supplier,

reasonable wear and tear excepted. Buyer shall have the right, at all reasonable times, upon prior notice to enter Supplier's premises to inspect any and all Buyer's property and any property or goods manufactured, developed or created with the aid of any Buyer's property. Should Supplier be unable to deliver Goods pursuant to this Agreement, Buyer, by written notice, may vest in itself title to finished parts, raw materials or work in process associated with this Agreement, and Supplier shall deliver all such material and other Buyer property to such location or locations outside its facility as may be designated by Buyer.

15. PROPRIETARY INFORMATION

- 15.1. "Proprietary Information" shall mean all information, knowledge or data (including without limitation financial, business, and product strategy information; product specifications; product designs; procedures; studies; tests; and reports) in written, electronic, tangible, oral, visual or other form, (i) disclosed by, or obtained from, Buyer or (ii) conceived, created, acquired, or first reduced to practice in connection with the Order. If Buyer furnishes sample products, equipment, or other objects or material to Supplier, the items so received shall be used and the information obtained from said items shall be treated as if they were Proprietary Information disclosed in connection with the Order.
- 15.2. Unless the Supplier has received the Buyer's express written consent to the contrary, Supplier shall (i) use the Proprietary Information solely for the purposes of the Order, and not for any other purpose (including, without limitation, designing, manufacturing, selling, servicing or repairing equipment for entities other than Buyer; providing services to entities other than Buyer; or obtaining any government or third party approvals to do any of the foregoing); (ii) safeguard the Proprietary Information to prevent its disclosure to or use by third parties; (iii) not disclose the Proprietary Information to any third party; and (iv) not reverse engineer, disassemble, or decompile the Proprietary Information.
- 15.3. Supplier may disclose the Proprietary Information to officers, directors, employees, contract workers, consultants, agents, affiliates or subcontractors of the Supplier who have a need to know such Proprietary Information for the purposes of performing the Order and who have executed a written agreement with the Supplier obligating such entity or person to treat such information in a manner consistent with the terms of this Section.
- 15.4. The Order shall not restrict the Supplier from using or disclosing any information that, as proven by written contemporaneous records kept in the ordinary course of business: (i) is or may hereafter be in the public domain through no improper act or omission of the Supplier or a third party; (ii) is received by the Supplier without restriction as to disclosure by the Supplier from a third party having a right to disclose it; (iii) was known to Supplier on a non-confidential basis prior to the disclosure by the Buyer; or (iv) was independently developed by employees of the Supplier who did not have access to any of Buyer's Proprietary Information.
- 15.5. If Proprietary Information is required to be disclosed pursuant to judicial process, Supplier shall promptly provide notice of such process to Buyer and, upon request, shall fully cooperate with Buyer in seeking a protective order or otherwise contesting such a disclosure. Disclosure of such requested Proprietary Information shall not be deemed a breach of the Order provided that the obligations of this Section are fulfilled by Supplier.
- 15.6. Buyer shall have the right to audit all pertinent documentation of the Supplier, and to make reasonable inspection of the Supplier's premises, in order to verify compliance with this Section.
- 15.7. Obligations in this Section regarding Proprietary Information shall continue until such time as all Proprietary Information is publicly known and generally available through no improper act or omission of the Supplier or any third party.
- 15.8. Unless required otherwise by law or the Order, the Supplier shall promptly return, or otherwise dispose of Proprietary Information as the Buyer may direct. Absent contrary instructions, Supplier shall destroy all Proprietary Information one (1) year after termination or

completion of the Order and provide written acknowledgement to Buyer of such destruction.

- 15.9. Supplier agrees to cause all information regardless of form (including, for example, electronic, magnetic and optical media, software, and compilations), containing or derived in whole or in part from Proprietary Information to bear the following legend:

This document contains the property of Safran, LLC and/or a Safran, LLC affiliate. You may not possess, use, copy or disclose this document or any information in it for any purpose, including without limitation to design, manufacture, or repair parts, or obtain FAA, Transport Canada Civil Aviation (TCCA) or other government approval to do so, without express written permission. Neither receipt, from any source, nor possession of this document, constitutes such permission. Possession, use, copying or disclosure by anyone without express written permission of Safran, LLC and/or the Safran, LLC affiliate issuing the Order is not authorized and may result in criminal and/or civil liability.

- 15.10. Notwithstanding any proprietary or confidential labels or markings, all information of Supplier disclosed to Buyer relating to the Order will be deemed non-confidential and the content of the Order may be disclosed by Buyer to any of Buyer's Affiliates. Moreover, Buyer may disclose all Supplier information, in accordance with applicable governmental regulations, to any department or agency of the U.S. Government, including, without limitation, for the purpose of obtaining necessary government approvals.
- 15.11. Supplier agrees that it will not accept from any third party, or use, any information that appears to be similar to Proprietary Information without first obtaining Buyer's express written consent, except that Supplier may receive solicitations or purchase orders issued by a partner or higher-tier supplier of Buyer that expressly reference a Buyer Purchase Order and contain obligations no less stringent than this Section. Supplier shall promptly notify Buyer if Proprietary Information is offered to Supplier by a third party or of the suspected possession of Proprietary Information by a third party.
- 15.12. Supplier agrees to notify Buyer in writing and to obtain Buyer's written consent, not to be unreasonably withheld, prior to manufacturing any parts for another entity that have the same form, fit and function as any parts Supplier manufactures for Buyer using Proprietary Information. Supplier's notification shall describe the parts to be manufactured for the other entity, identify the corresponding parts Supplier manufactures for Buyer and provide Buyer with sufficient information to demonstrate that Supplier will manufacture such parts without reference to or use of Proprietary Information. If Supplier manufactures or sells any such parts without obtaining Buyer's written consent (or applies for or assists another entity in obtaining FAA or other government approval for such parts), then it shall be considered a breach of the Order and Buyer shall be entitled to injunctive relief and such other remedies as a court may order.
- 15.13. Supplier shall not make accessible or sell completed or partially completed or defective Goods manufactured using or containing Proprietary Information to any unauthorized third parties. Goods not provided to Buyer shall be disposed of in a manner that prevents disclosure of Proprietary Information (including by reverse engineering).
- 15.14. For proprietary information exchanged in connection with the Order, the terms of this Section 15 shall supersede any provisions regarding the protection of proprietary information in any other agreement between the Parties.

16. GENERAL INDEMNIFICATION

Supplier shall indemnify, protect, defend and save the Buyer, its officers, directors and Buyer's affiliates and their officers and directors harmless from all suits, claims, losses, damages, injuries, costs or expenses (including attorneys' fees) arising out of, or caused by, Supplier's performance hereof or any defects in the Deliverables.

17. INFRINGEMENT INDEMNIFICATION

- 17.1. Supplier shall indemnify and hold harmless Buyer, Buyer's Customers, Affiliates, and subsidiaries, their agents, directors, officers, and employees, and each subsequent purchaser or user, from any losses, costs, damages, and liabilities, including, without limitation, any attorney's fees, court costs and fines, arising from any potential or actual claim, suit, injunction, action, proceeding, or investigation alleging infringement or violation of any Intellectual Property rights or license, related to the manufacture, use, sale, offer for sale, import or other exploitation of any Goods or Services delivered or performed in connection with the Order ("Claim").
- 17.2. Supplier shall not be liable for any Claim based on Supplier's compliance with any Specification created by the Buyer, unless: (i) Supplier could have complied with Buyer's Specification using a solution that was non-infringing; (ii) the relevant portion of the Specification was derived from, recommended by, or provided by, Supplier; or (iii) Supplier knew or should have known of a Claim or potential Claim and did not promptly notify Buyer in writing.
- 17.3. Supplier shall, upon written notice from Buyer of a Claim, promptly assume and diligently conduct the entire defense of a Claim at its own expense. Insofar as the Buyer's interests are affected, the Buyer shall have the right, at its own expense and without releasing any obligation of the Supplier, to participate and intervene in a Claim. Buyer shall have the right to reasonably reject counsel selected by Supplier. Supplier shall not enter into any settlement without Buyer's prior written consent, which shall not be unreasonably withheld.
- 17.4. Buyer may supersede Supplier in the defense of any Claim, and assume and conduct the defense at Buyer's sole discretion. In such an event, Supplier shall be released from any obligation to pay for attorneys' fees and court costs, but not settlement or damages, and any such release is expressly conditioned on Supplier's complete cooperation with Buyer in Buyer's defense of such Claim at Buyer's expense. Buyer shall not enter into any settlement without Supplier's prior written consent, which shall not be unreasonably withheld.
- 17.5. If the manufacture, use, sale, offer for sale, import, export or other exploitation of any of the Goods or Services is enjoined by a court, if delivery is precluded by a government entity, or should Supplier refuse to provide or supply any Goods or Services to avoid a potential third party claim, Supplier shall avoid any disruption to Buyer and shall (i) secure for Buyer the right to provide, use or sell such Goods or Services; (ii) modify or replace such Goods or Services with equivalent non-infringing Goods or Services; or (iii) provide such other solution acceptable to Buyer. Supplier shall reimburse Buyer for Buyer's costs incurred in obtaining all internal, external and Buyer Customer approvals, qualifications, certifications, and the like, necessary for making, using and selling alternate non-infringing Goods or Services. Supplier shall refund to Buyer the purchase price of any such Goods or Services that Buyer is prohibited from providing, using, selling offering for sale, importing, exporting, or otherwise exploiting.

18. TERMINATION FOR CONVENIENCE

Buyer may terminate, for its convenience, all or any part of this Agreement at any time by written notice to Supplier. In such case Buyer's sole obligation will be to pay for completed Deliverables that are delivered to Buyer. Notwithstanding anything to the contrary in the previous sentence, Buyer will not be obliged to pay for any Deliverables in excess of that which would be delivered to Buyer in the "Lead Time Period" of the Order. The "Lead Time Period" for each terminated Deliverable will commence on receipt of Buyer's notice of termination and end upon the expiration of the lead-time specified for a Deliverable. If no lead-time is specified for a Deliverable, the lead-time will be a reasonable average actual lead-time under normal delivery circumstances for that Deliverable. In no event shall costs associated with, or anticipated profit or overhead, on unperformed work be payable to Supplier.

19. TERMINATION FOR DEFAULT

If (i) Supplier fails to make any delivery or perform Services in accordance with Delivery Dates or otherwise fails to comply with the Order and does not remedy such failure within a reasonable time after receipt of written notice thereof, (ii) Supplier fails to make progress to such an extent that performance of the Order is endangered, (iii) any proceeding is filed by or against Supplier in bankruptcy or insolvency, or for appointment for the benefit of creditors, or (iv) Supplier commits any other breach of this Agreement, Buyer may (in addition to any other right or remedy provided by this Agreement or by law) terminate all or any part of this Agreement by written notice to Supplier without any liability and may purchase substitute goods and services elsewhere. Supplier shall be liable to Buyer for any cost occasioned Buyer thereby. Buyer also may require Supplier to transfer title and deliver to Buyer any completed supplies, and such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights as Supplier has specifically produced or specifically acquired for the performance of such part of this Agreement and any technology or information necessary for production of Deliverables. If a court of competent jurisdiction finds that any termination for cause was wrongful, then such termination shall be automatically converted to a termination for convenience and the rights and obligations of the parties will be as set forth in the section hereof titled "Termination for Convenience". The parties agree that the provisions of this Default section shall not apply to failures or delays in making deliveries of Deliverables when such failure or delay is due to any cause beyond the control and without the fault or negligence of Supplier as provided in the force majeure provision set forth herein; provided, however, that Buyer may cancel without liability to Supplier its purchase of any such items.

20. ASSIGNMENT

- 20.1. Neither this Agreement nor any interest hereunder shall be assignable by either party unless such assignment is mutually agreed to in writing by the parties hereto; provided, however, that Buyer may assign this Agreement to any corporation with which Buyer may merge or consolidate or to which Buyer may assign substantially all of its assets or that portion of its business to which this Agreement pertains or to any third party provider of "integrated services" that will purchase the Deliverables for Buyer's benefit without obtaining the agreement of Supplier. Supplier shall not subcontract any work called for by this Agreement without Buyer's prior written approval.
- 20.2. Claims for money due or to become due to Supplier from Buyer arising out of this Agreement may not be assigned, unless such assignment is made to one assignee only and covers all amounts payable under this Agreement and not already paid. Buyer shall be under no obligation to pay such assignee unless and until Buyer has received written notice of the assignment from Supplier, a certified copy of the instrument of assignment, and suitable documentary evidence of Supplier's authority to so assign. However, any payments made to a third party subsequent to Buyer's receipt of notice that any claims for money due or to become due hereunder have been assigned or should be paid thereto shall fulfill Buyer's requirements to make any such payments hereunder.

21. OFFSET

- 21.1. Buyer and its affiliated companies may be required by their customers to fulfill offset and other industrial cooperation obligations in specific countries. These obligations may take the form of technology transfer, purchase of components or services, technical and export assistance or other business transactions.
- 21.2. Supplier acknowledges Buyer's exclusive rights in and to any offset credit that is generated as a result of this Agreement and any subsequent subcontracting by Supplier to fulfill this Agreement. Buyer may use all or any part of the value of this Agreement, including the value of subcontracts placed by Supplier for this Agreement, for satisfying offset obligations of Buyer, Buyer's affiliates or any entity that Buyer transfers such value to. Supplier may use the offset credit generated by this Agreement or the subcontracting of this Agreement only upon the

receipt of written approval from Buyer.

- 21.3. Supplier shall also support Buyer, in any manner reasonably requested by Buyer, and at no additional cost to Buyer, in meeting Buyer's offset requirements in the amounts and in the countries specified by Buyer. Supplier shall furnish upon request any certificates or other documents reasonably required by Buyer in fulfillment of Buyer's offset obligations, including, any documents transferring title to the offset credits to Buyer, any documents perfecting any rights granted to Buyer in this section, and take other action as Buyer deems appropriate in order to protect Buyer's interests in offset credits.

22. COMPLIANCE WITH LAWS

- 22.1. Supplier shall comply with all applicable national, state, provincial, and local laws, ordinances, rules, and regulations, including but not limited to those relating to:
- 22.1.a. pollution control such as the Clean Air Act, (42 U.S.C. 7401, et seq. and the Clean Water Act 44 U.S.C. 1251 et seq.); waste disposal, such as the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.; hazardous substances such as the Toxic Substances Control Act, 15 U.S.C. 2601, et seq., and the European Union law and regulations on the Directive on Restrictions on Use of Hazardous Substances in Electrical and Electronic Equipment (Directive 2002/95/EC); occupational health and safety, such as the Occupational Safety and Health Act, 29 U.S.C. 651 et. seq., and any other national, state, provincial, and local laws, ordinances, rules, and regulations dealing with protection of the environment, health and safety;
 - 22.1.b. employment practices and child labor such as Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938 ("FLSA"), as amended (29 U.S.C. §§ 201-219) and of regulations and orders of the United States Department of Labor issued under Section 14 thereof. Section 12(a) and Section 15(a) (1) of the FLSA and the Walsh-Healy Public Contracts Act (41 U.S.C. §§ 35-45) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-332), and any amendments thereto, as well as with the provisions of any other laws with respect to labor relations, minimum wages and hours of employment, now in effect or hereafter enacted. Supplier also agrees to comply with the provisions of 29 CFR part 470;
 - 22.1.c. customs, import or export, including country of origin marking requirements, including, without limitation, U.S. Customs Importing laws;
 - 22.1.d. Equal Employment Opportunity including, without limitation, Code of Federal Regulations: 41 CFR 60 (E.O. 11246; E.O. 11758 (Section 503 of the Rehabilitation Act); 38 U.S.C. 4212 Vietnam Era Veterans Readjustment Assistance Act ("VEVRA"), 48 CFR Section 52.222-35 (Equal Opportunity for Special Disable Veterans, Veterans of the Vietnam Era and Other Eligible Veterans); and 48 CFR Section 52.222-36 (Affirmative Action for Workers with Disabilities), as amended, which prohibit discrimination on the basis of race, color, religion, sex, national origin, disability or veterans status; and 29 CFR Part 470 (Payment of Union Dues or Fees) and other similar federal or state laws or regulations;
 - 22.1.e. Data Privacy meaning laws relating to data privacy, trans-border data flow or data protection, including, without limitation, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the implementing legislation and regulations of the European Union member states under the European Union Directive 95/46/EC;
 - 22.1.f. Providing, attempting to provide, or offering to provide any kickback (as defined in the Anti-Kickback Act of 1986, the Foreign Corrupt Practices Act or any other applicable national, state or local laws regarding kickbacks or commercial bribery); and
 - 22.1.g. export controls and sanctions, including, without limitation, the i) United States Export

Administration Regulations , ii) International Traffic in Arms Regulations , iii) regulations and orders administered by the Treasury Department's Office of Foreign Assets Control and iv) laws and regulations of other countries.

22.2. Supplier warrants that:

- 22.2.a. the Deliverables meet or exceed the applicable standards imposed by the Consumer Products Safety Act;
- 22.2.b. the Deliverables meet or exceed the safety and health standards established and promulgated under the Federal Occupational Safety and Health Act (Public Law 91-596);
- 22.2.c. Supplier has fully complied with the Equal Pay Act and applicable provisions of the FLSA as amended;
- 22.2.d. Supplier has complied with all laws, ordinances, rules, and regulations designating certain parties as "denied", "restricted" or similarly ineligible to do business with U.S. entities. Supplier shall notify Buyer promptly if Supplier is: (i) suspended, debarred, or proposed for suspension or debarment from doing business with the U.S. Government, or (ii) listed or is proposed to be listed by the U.S. Government in any "denial orders," as a "blocked person," as a "specially designated national," or as a "specially designated terrorist" for U.S. export administration purposes (collectively, "Debarment"). Supplier shall indemnify and hold Buyer harmless against any loss or damage suffered by Buyer as a result of Supplier's Debarment, and
- 22.2.e. this Agreement does not violate any laws or regulations of the territories where Supplier conducts business or will perform this Agreement.

22.3. **Drawback:** Upon request, Supplier agrees to furnish completed drawback certificates and retain substantiating documentation pursuant to 19 U.S.C. Section 1313.

22.4. **NAFTA:** If applicable, Supplier will furnish annual certificates in accordance with the North American Free Trade Act ("NAFTA") per 19CFR, Part 181 only on Deliverables which have met NAFTA rules of eligibility; and maintain recordkeeping to support qualification. Related costs will be the responsibility of Supplier.

22.5. **Conflict Minerals:** Supplier recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("DRC countries"). Accordingly, Supplier commits to comply with Section 1502 of Dodd-Frank and its implementing regulations. In particular, Supplier commits to have in place a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides Safran; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Supplier shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time.

22.6. **REACH:**

22.6.a. Supplier expressly warrants that all the products and/or materials supplied in the European Union ("EU") under this Agreement will be supplied in full compliance with the provisions of the European Regulation (EC) n° 1907/2006 of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (the "REACH Regulation").

22.6.b. Supplier expressly warrants that all the substances in the products and materials supplied in the EU that require registration are or will be pre-registered (for

phase-in substances) and registered within the applicable REACH statutory deadlines.

- 22.6.c. To the extent that the products and/or materials supplied under this Agreement are imported by Buyer or one of its affiliates or customers in the EU and such fact is communicated to Supplier, Supplier expressly undertakes to appoint an Only Representative to pre-register and register the substances in these products and/or materials that require registration or, if so agreed on a case by case basis by Buyer, to supply Buyer at Supplier's own cost with all necessary data and information needed for Buyer to pre-register and register the substances in these products that require registration, and to reimburse Buyer for the registration fees paid for these substances. Furthermore, Supplier expressly undertakes to notify the European Chemicals Agency of any substances of very high concern as defined either in article 57 of the REACH Regulation (prior to publishing of the "candidate list") or as identified on the "candidate list" (as published in accordance with Article 59.1 of the REACH Regulation) that are contained in these products and/or materials and that require notification or, if so agreed on a case by case basis by Buyer, to supply Buyer at Supplier's own cost with all necessary data and information needed for Buyer to notify the European Chemicals Agency of substances in these products that require notification and to reimburse Buyer for any associated fees.
- 22.6.d. To the extent that the products supplied by Supplier qualify as "articles" under REACH, Supplier hereby expressly undertakes to investigate and communicate to Buyer if there are any substances intended to be released from these articles that require registration under REACH and if there are any substances of very high concern as defined either in article 57 of the REACH Regulation (prior to publishing of the "candidate list") or as identified on the "candidate list" (published in accordance with Article 59.1 of the REACH Regulation) and present in these articles or parts thereof above 0,1%, in which case Supplier shall inform Buyer of the identity of this/these substance(s) and its/their concentration in these articles. This obligation also applies to articles already supplied under this Agreement at the time of the inclusion of the substances concerned on the candidate list.
- 22.6.e. Supplier expressly warrants that all the substances, products and/or materials supplied under this Agreement in the EU are in compliance with the restrictions of Annex XVII of REACH, which will replace Directive 76/769/EEC on June 1, 2009. In addition, Supplier undertakes to properly and timely inform Buyer of any additional restrictions set forth by the REACH Regulation or otherwise undertaken by the relevant authorities in the implementation of the REACH Regulation, including but not limited to, any restriction on use or listing in Annex XIV of the REACH Regulation for Authorization, impacting or likely to impact the use, sale or disposal of any substance contained in the products and/or materials supplied under this Agreement.
- 22.6.f. Supplier also undertakes to timely provide the Buyer with all relevant information on the products and/or materials supplied under this Agreement that Supplier and/or its suppliers are required to communicate down the supply chain (that is, any subsequent purchaser or user) under the REACH Regulation, and in any case, to provide all the information necessary for the Buyer and/or the actors down its supply chain to timely and accurately fulfill their obligations under the REACH Regulation.
- 22.6.g. For the avoidance of doubt, Supplier shall bear all costs, charges and expenses related to pre-registration and registration under the REACH Regulation of the chemical substances that are the subject of this Agreement.

23. PUBLICITY

Supplier shall not make or authorize any news release, advertisement, or other disclosure which shall deny or confirm the existence of this Agreement or which shall make use of Buyer's name or logo without the prior written consent of Buyer, except as may be reasonably required to perform this Agreement.

24. INSURANCE

- 24.1. Without limiting Supplier's duty to defend, hold harmless and indemnify hereunder, Supplier agrees to secure and carry as a minimum during the entire term of this Agreement and any Order, the following insurance:
- 24.1.a. Workers' Compensation Insurance, inclusive of an alternate employer endorsement, in an amount sufficient by virtue of the laws of the U.S., foreign country, state, or other governmental subdivision in which the work or any portion of the work is performed and Employer's Liability Insurance in the amount of \$1,000,000 for any one occurrence;
 - 24.1.b. General Liability Insurance including Premises and Contractual Liability, in which the limit of liability for property damage and bodily injuries, including accidental death, shall be at a minimum, a combined single limit of \$5,000,000 for any one occurrence, unless some other amount is agreed to in writing;
 - 24.1.c. If Supplier vehicles are used on Buyer's premises and/or used to accomplish work under this Agreement or an Order or otherwise on behalf of Buyer, Automobile Liability Insurance in which the limit of liability for property damage and bodily injuries, including accidental death, shall be a combined single limit of \$2,000,000 for any one occurrence;
 - 24.1.d. If Supplier or its subcontractors have Buyer's materials or equipment in its care, custody or control, Supplier shall maintain All Risk Property Insurance in an amount sufficient to meet or exceed the replacement value of such material; and
 - 24.1.e. If Supplier is performing professional services on behalf of Buyer, Supplier shall maintain Professional Liability Insurance with a limit of not less than \$5,000,000, unless some other amount is agreed to in writing.
- 24.2. All such insurance shall be issued by companies authorized to do business under the laws of the jurisdiction in which all or part of the Services are to be performed and must have an AM Best financial rating of A- or better or an equivalent rating by another rating agency acceptable to Buyer.
- 24.3. The insurance coverage's described above shall be in a form satisfactory to Buyer, and shall contain a provision prohibiting cancellation except upon at least ten (10) days' prior notice to Buyer. All such insurance policies will be primary in the event of a loss arising out of Supplier's performance of work and shall provide that where there is more than one insured the policy will operate, except for the limits of liability, as if there were a separate policy covering each insured and shall operate without right of contribution from any other insurance carrier by Buyer. Certified copies of said policies or certificates evidencing such insurance and endorsements naming Buyer as an additional insured or, in the case of All Risk Property Insurance, naming Supplier and Buyer as loss payees, shall be filed with Buyer upon execution of this Agreement and before commencement of any work hereunder, and within a reasonable time after any renewals or changes to such policies are issued. To the extent permitted by law, Supplier and its insurer(s) agree that subrogation rights against Buyer are hereby waived.

Supplier shall reflect such waiver in any policy(ies) required under this Agreement and shall advise the amount of available policy limits as of execution of this Agreement and shall identify the amounts of any self-insured retention.

- 24.4. The certificate of insurance shall identify the contract number or work to be performed and shall acknowledge that such coverage applies to liabilities incurred by Supplier, its employees, invitees or agents under this Agreement and that such insurance shall not be invalidated by any act or neglect of Supplier whether or not such act or neglect is a breach or violation of any warranty, declarations or conditions of the policies.
- 24.5. Supplier agrees to insert the applicable substance of this provision in all major subcontracts entered into by Supplier to support work performed under the Order.

25 AUDIT RIGHTS

In addition to any other inspection or audit rights granted to Buyer hereunder, Buyer may inspect and audit, on reasonable notice, Supplier's books, records and its facilities, or such parts of its facilities as may be engaged in the performance of this Agreement, if the Order: (a) is a time and material order, (b) is a cost based order, or (c) provides for advance or progress payments based on costs incurred by Supplier.

26. FORCE MAJEURE / DISASTER RECOVERY

- 26.1. Neither Supplier nor any Buyer shall be liable for damages for any failure or delay in the performance of this Agreement or any Order resulting from causes beyond its reasonable control including, but not limited to, unforeseeable events such as acts of God, acts of Government, war, court order, riots, natural disasters, and labor strikes. Buyer may cancel without liability to Supplier its purchase of any Deliverables affected by Supplier's failure or delay in performance. The party incurring the delay shall give timely notice to the others of any such event and shall use all reasonable efforts to avoid or remove the cause and resume performance with minimum delay. If requested by Buyer, the parties shall jointly prepare a contingency plan to address the potential impact of any such event.
- 26.2. Supplier that is: (i) a sole source of supply; or (ii) providing Deliverables whose lead-time exceeds one hundred twenty (120) days, shall develop and maintain a Disaster Recovery Plan. The said plan must include strategy and actions for recovery and continuation of business, related to production of Supplier's Deliverables furnished under this Agreement, in the event of a disaster or emergency in order to prevent or limit interruption of supply of Deliverables. Supplier shall furnish a copy of Disaster Recovery Plan to Buyer upon request.

27. DISPUTE RESOLUTION / GOVERNING LAW

- 27.1. Both parties agree that they will endeavor to resolve any disputes arising from or related to this Agreement amicably through discussions with each other; and that prior to either party filing legal action against the other (except for equitable actions that may be necessary to protect a party's rights), they will enter into informal settlement discussions between management personnel of each party. The settlement discussions will commence following receipt of written notice by one party to the other and will conclude within a 60-day period, unless the parties agree to a different time period. Such settlement discussions will include attempts that are at least two tiered; meaning that if one level of management from each side cannot resolve the dispute, then each party will appoint a higher level of management to review the dispute and endeavor to reach resolution. The purpose of this section is to prevent costly litigation where early frank and pragmatic discussions between the parties could avert such litigation.

- 27.2. This Agreement shall be interpreted in accordance with the plain English meaning of its terms and the construction thereof shall be governed by the laws of the State of Delaware, USA without regard to conflicts of law principles. Buyer may, but is not obligated to, bring any action or claim relating to or arising out of this Agreement in the appropriate court in the jurisdiction described above, and Supplier hereby irrevocably consents to personal jurisdiction and venue in any such court, hereby appointing the pertinent Secretary of State or other applicable government authority as agent for receiving service of process. Notwithstanding the foregoing, if Buyer in good faith determines that enforcement of a judgment granted by a Delaware court would not be given full faith and credit by a court in a jurisdiction where enforcement may be sought, Buyer may bring the action in that jurisdiction under Delaware law.
- 27.3. Any action or claim by Supplier with respect hereto shall also be brought in the appropriate court in the jurisdiction described above, if Buyer so elects. Accordingly, Supplier shall give written notice to Buyer of any such intended action or claim, including the intended venue thereof, and shall not commence such action or claim outside of such jurisdiction if Buyer, within thirty (30) days from receipt thereof, makes its election as aforesaid. If Buyer and Supplier mutually agree to participate in alternative dispute resolution, Supplier agrees that all alternative dispute resolution proceedings shall take place in Delaware.
- 27.4. The parties specifically disclaim application to this Agreement of the United Nations Convention on Contracts for the International Sale of Goods.

28. TRADE COMPLIANCE

- 28.1. **Export Laws:** The parties agree to comply with any applicable U.S. laws and regulations governing exports from the United States, any applicable Non-U.S. laws and regulations of any other country, region, locale or territory where exports are conducted through or in under this Agreement, or relating to economic sanctions, embargoes, or compliance with unsanctioned foreign boycotts ("Export Laws"). Such Export Laws include without limitation (as may be amended from time to time): the Arms Export Control Act (22 U.S.C.A. § 2278), the Export Administration Act (50 U.S.C. App. §§ 2401-2420), the International Traffic in Arms Regulations (22 CFR 120-130) ("ITAR"), the Export Administration Regulations (15 CFR 730 et seq.) ("EAR"), the Office of Foreign Assets Control Regulations (31 CFR Chapter V), the Customs Laws of the United States (19 U.S.C. § 1 et seq.), the International Emergency Economic Powers Act (50 U.S.C. §1701-1706), and any similar laws and regulations of other countries. Nothing in this Agreement shall be construed as requiring a party to perform an obligation that is noncompliant with Export Laws.
- 28.2. **Export Licensing Responsibility:** To the extent that this Agreement requires Supplier to export, re-export, transfer or re-transfer license required technical data controlled by either the ITAR or the EAR, Supplier will be responsible for obtaining and managing any authorizations necessary to perform the activities and obligations set forth in this Agreement. Buyer will exercise reasonable efforts to support Supplier in obtaining necessary authorizations, including the provision of any and all necessary documentation.
- 28.3. **Disclosures of Technical Data:** Supplier represents that it will limit disclosure of any technical data contained in, made available, or generated in the performance under this Agreement in accordance with export restrictions imposed by the U.S. Export Administration Regulations, 15 C.F.R. Parts 730 et seq. and the International Traffic in Arms Regulation, 22 C.F.R. Parts 120 et seq. Compliance with export laws and regulations does not relieve Supplier of its obligations under any other provision of this Agreement related to protection of information.
- 28.4. **Technology Control Plan:** When the terms of this Agreement require interaction with or transfer of ITAR or EAR controlled technical data, Supplier shall adopt and follow a Technology Control Plan ("TCP") that, at a minimum, incorporates the following elements: (i) facility security; (ii) international trade compliance training program; (iii) information technology security; (iv) record keeping requirements; (v) denied parties screening; and (vi) personnel oversight (including without limitation oversight of non-U.S. persons, dual third country nationals, employees, visitor management). Supplier shall make a signed copy of the TCP

available to Buyer within thirty (30) days of request.

- 28.5. **Export License Failures Not An Event of Default:** It is not an event of default and neither party shall be liable for: (i) the inability to obtain or renew an export license; (ii) the cancellation of an export license by a governmental entity; or (iii) either party's inability to perform any of its obligations under this Agreement due to the occurrence of item (i) or (ii) of this Section. Upon the occurrence of either (i) or (ii) of this subsection, Supplier shall immediately notify Buyer and the parties shall use all reasonable efforts to remedy or abate the impact of such occurrence and to agree to terms pursuant to which the obligations under this Agreement shall be performed in the future.
- 28.6. **ITAR Registration, Brokering and Political Contributions, Fees and Commissions Registration:** If Supplier engages in the United States in the business of either manufacturing or exporting defense articles or furnishing of defense services, Supplier agrees that it shall register with the U.S. Directorate of Defense Trade Controls in accordance with 22 C.F.R. Part 122.1. In addition, Supplier agrees that it shall ensure said registration is current, accurate and complete. Any material changes shall promptly be submitted to the U.S. Directorate of Defense Trade Controls in compliance with applicable regulatory requirements.
- 28.7. **Brokering:** Supplier acknowledges that it shall not engage in brokering activity as that term is defined in 22 C.F.R. Part 129.1 in conjunction with activity authorized pursuant to this Agreement.
- 28.8. **Marking:** Prior to the transfer of any technical data, item or document controlled by the EAR, ITAR or any other applicable local, foreign, territorial or controlling export related laws, regulations or orders, the transferring party shall provide to the receiving party the Export Control Classification Number (ECCN), the ITAR category or other appropriate classification (pursuant to the applicable local, foreign, territorial or controlling export related law, regulation or order) of such technical data.

29. MISCELLANEOUS

- 29.1 **Stop Work Order:** Buyer may, from time to time, require Supplier to stop all or any portion of the work called for by the Order for a period of up to 120 days ("Stop Work Period") at each such time. Upon receipt of written notice detailing the length and scope of the Stop Work Period, Supplier shall immediately comply with its terms at no charge. Within the Stop Work Period, Buyer may either: (i) cancel the stop-work order and Supplier shall resume work; or (ii) terminate the work covered by the stop-work order, for default or convenience, as the context requires, in accordance with the provisions of the Order. If Buyer has not exercised its rights set forth in either (i) or (ii) above prior to the expiration of the Stop Work Period, then at least thirty (30) days prior to said expiration, Supplier shall notify Buyer of its intent to resume work under the applicable Order and shall obtain Buyer's written consent prior to resuming work.
- 29.2. **Duty To Proceed:** Supplier shall proceed diligently with the performance of this Agreement. Except as expressly authorized in writing by Buyer, no failure of Supplier and Buyer to reach any agreement regarding a dispute related to this Agreement shall excuse Supplier from proceeding. During the pendency of any dispute, Buyer shall continue to pay in accordance with this Agreement for Supplier's performance related to matters not in dispute. Notwithstanding the generality of the foregoing, Buyer shall retain its rights with respect to setoff and withholding.
- 29.3. **Independent Contractor:** Supplier shall perform the services required under this Agreement as an independent contractor and shall have exclusive control and direction of the persons engaged by Supplier to perform such services, including, but not limited to, employees of Supplier working at Buyer facilities. Supplier assumes full responsibility for the acts and omissions of such persons. Supplier shall have exclusive liability for the payment of and compliance with regulations pertaining to local, state, and federal or other governmental entity payroll Taxes or contributions, and Taxes for unemployment insurance, workers' compensation, social security and/or similar or related protection for such persons, as required by applicable law. Supplier shall have no power to legally bind, or act on behalf of, Buyer and shall not hold

itself out as an agent of Buyer.

- 29.4. **Survival:** All obligations and duties under any provisions, which by their nature extend beyond the expiration or termination of this Agreement, including but not limited to warranties, indemnifications, intellectual property (including protection of proprietary information) shall survive the expiration or other termination of this Agreement of which these provisions are made a part.
- 29.5. **Waiver:** Buyer's failure to seek a remedy for any breach by Supplier or Buyer's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege hereunder shall not thereafter be deemed a waiver for any such terms, conditions, rights or privileges or any other terms, conditions, or privileges whether of the same or similar type. Acceptance of any Deliverables or payment therefore shall not waive any breach.
- 29.6. **Remedies:** Supplier shall be liable for any damages incurred by Buyer as a result of Supplier's acts or omissions under this Agreement. The rights and remedies herein reserved to Buyer shall be cumulative and additional to any other or further rights and remedies provided in law or equity.
- 29.7. **Partial Invalidity:** If in any instance any provision of this Agreement shall be determined to be invalid or unenforceable under any applicable law, such provision shall not apply in such instance, but the remaining provisions shall be given effect in accordance with their terms unless the purposes of this Agreement can no longer be preserved by doing so.
- 29.8. **Interpretation:** This Agreement shall be construed as if drafted jointly by the parties and no provision in this Agreement shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.
- 29.10. **Captions:** The captions, headings, section numbers, and table of contents appearing in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.