

STANDARD TERMS AND CONDITIONS OF SALE FOR MRO SERVICES

ARTICLE 1 – Purpose

These Standard Terms and Conditions of Sale of Services (“Standard Terms”) set out the general terms and conditions applicable to all quotations and proposals made by Safran Transmission Systems (“SAFRAN TS”) to any customer (“Customer”) with respect to services supplied by SAFRAN TS, including but not limited to inspection, test, repair, overhaul, modification and on-field service (the “Services”) on power transmissions equipment as described in such quotation (“Equipment”).

ARTICLE 2 – Contractual Documents – Ordering Procedure

A. Any purchase order (the “Order”) placed by the Customer with SAFRAN TS shall be governed by these Standard Terms. Should these Standard Terms conflict with the conditions contained in a specific agreement which may be agreed between SAFRAN TS and the Customer, the conditions of such specific agreement shall prevail. The Customer shall not depart from these Standard Terms, except with the prior written consent of SAFRAN TS. These Standard Terms shall prevail over any general purchase conditions related to or contained in a Order or other document submitted by the Customer.

B. Any quotation issued by SAFRAN TS constitutes a firm and valid offer for the duration specified in such quotation, or (if not specified) for thirty (30) calendar days from the date of the quotation issuance. The Services shall be subject to due ordering by the Customer and acceptance of such Order by SAFRAN TS. Any Order shall be placed by a Customer mandated representative in writing (letter or email) at the address specified by SAFRAN TS and received by SAFRAN TS timely before the scheduled starting time of the Services. Each purchase order shall clearly state the part number and the serial number of the Equipment sent to SAFRAN TS for the performance of the Services. The equipment sent shall be conform to its identification as stated in the Order. The written acceptance by SAFRAN TS of the Order issued by the Customer is solely binding. Silence of SAFRAN TS shall not mean acceptance of Customer’s Order. No cancellation or modification to the Order shall be made without prior written consent of SAFRAN TS and request an amendment of the Order. Should the Order be cancelled for any reason, SAFRAN TS reserves the right to charge the Customer for any kind of preparation already made, Services performed (totally or partially) and/or provision of a Service and/or material ordered in connection with the Order. Modification to the Order may result in additional charge and/or additional lead-time to the Customer.

ARTICLE 3 – Packing – Delivery – Redelivery

A. The Customer shall make deliver each Equipment with complete accompanying documentation, and packing in accordance with manufacturer’s recommendations. SAFRAN TS is entitled to charge the Customer for all costs to repack the Equipment in accordance with the manufacturer’s recommendations and/or ATA300. Any additional packing or packing crates (for sea transportation or long life packing) required by the Customer shall be additionally charged after acceptance by the Customer of SAFRAN TS quotation. Lead-time may be amended by SAFRAN TS to reflect such additional tasks and/or time to obtain eventual missing documentation from Customer.

B. The Customer shall make deliver SAFRAN TS DAP (Incoterms ICC, ed. 2010) SAFRAN TS’ facility the Equipment subject to the ordered Services, during working hours. Delivery shall be addressed to: MRO SERVICE CENTRE – 149, SAFRAN TRANSMISSION SYSTEMS, 18 boulevard Louis Seguin 92700 COLOMBES – FRANCE.

C. SAFRAN TS shall redeliver to the Customer or to a specified entity and/or address the equipment in accordance with the purchase order, using the incoterm agreed between SAFRAN TS and the Customer. In case there is no Incoterm agreed, SAFRAN TS shall deliver the equipment at FCA Roissy - CDG (France).

ARTICLE 4 – Title - Risk of Loss - Governmental Authorization

A. Title to the Equipment delivered by the Customer to SAFRAN TS shall remain with the Customer (or the relevant owner with respect to title) at any time. Risk of loss and damage to the Equipment delivered by the Customer to SAFRAN TS shall pass from the Customer to SAFRAN TS at the Delivery and from SAFRAN TS to the Customer at the Redelivery, in accordance with the agreed incoterms.

B. The Customer hereby agrees that title to new parts incorporated in the Equipment by SAFRAN TS during the Services shall be retained by SAFRAN TS and shall not pass from SAFRAN TS to the Customer, or the relevant owner of the Equipment, until payment in full of all sums due and payable by the Customer under the Order. Until such time, (i) SAFRAN TS shall have the absolute authority to retake, sell or otherwise deal or dispose of such parts and, (ii) SAFRAN TS shall be entitled at any time and without any notice to enter upon any premises in which the Equipment on which such parts are installed is stored, kept or used, or is reasonably believed so to be. SAFRAN TS shall be entitled to seek a court injunction to the Customer or the relevant owner (as the case may be) from selling, transferring or otherwise disposing of such parts. The Customer shall ensure compliance with SAFRAN TS rights and interests under this Article 4.B in all circumstances, by any means and at its own expenses and not do or knowingly permit to be done any act or thing which might reasonably be expected to jeopardize SAFRAN TS rights and interests under this Article 4.B. If the Customer fails to carry out its obligations in respect of this Article, the Customer shall indemnify SAFRAN TS against all cost, expenses and damages which SAFRAN TS may incur or suffer due to this failure.

C. These Standard Terms and any Order taken under these Standard Terms are subject to all applicable laws and regulations, now or hereafter in effect, such as but not limited to the United States Government and French Government and their departments and agencies. The Customer undertakes to keep itself informed of and shall abide by any applicable regulations issued by (1) the United States Government and (2) the French Government including without limitation any amendments and changes to (1) and (2) above. Export Administration Regulations enforced by the United States Department of Commerce and European Regulation enforced by the French Government (hereafter called “Regulations”) prohibit the export and re-export of certain technical data and products unless assurance are first obtain from the foreign importer. Accordingly, the Customer gives its assurance that unless prior authorization is obtained from concerned Government it will not knowingly re-export the Equipment and associated commodities, software and technical data, directly or indirectly to embargoed destinations, prohibited parties or parties involved in proscribed activities, to the extent required in the relevant part of the Regulations. The case arising, the Customer shall be the importer and exporter of record of the Equipment and shall be responsible for the timely application for, obtaining and maintaining, any required governmental authorization such as import and export licenses, exchange permit or any other required governmental authorization relating to the Equipment. In no event SAFRAN TS shall be liable if any authorization is delayed, denied, revoked, restricted or not renewed, and the Customer shall not thereby be relieved of its obligation to pay SAFRAN TS for all Services performed and/or initiated and any other charges which are the obligation of the Customer hereunder.

ARTICLE 5 – Performance of Services

A. Following Delivery of the Equipment to SAFRAN TS facility, together with (1) a purchase order from Customer, (2) a workscope if any, and (3) all applicable Equipment records and subject to the acceptance of such purchase order by SAFRAN TS, SAFRAN TS shall perform a standard receiving inspection of the Equipment and then will submit a shop finding report and a related quotation to the Customer for approval. Following receipt of such shop finding report and its related quotation, the Customer shall accept or reject them within ten (10) calendar days from their date of issuance. If the Customer consent or refusal is not obtained in the above mentioned time period, SAFRAN TS will invoice to the Customer a daily stocking fee equal to 1/365th of the then current manufacturer catalogue price if available, or other formally known price of the Equipment until receipt of the written acceptance or refusal of the Customer. In case the shop finding report and its related quotation are rejected by the Customer, SAFRAN TS shall place the Equipment at Customer’s disposal Ex-works (Incoterms ICC, ed. 2010) SAFRAN TS facility after invoice and payment fully processed by the Customer for the standard receiving inspection. If such Equipment is not recovered by the Customer within three (3) months from the date of receipt of the written refusal by SAFRAN TS, such Equipment shall become the property of SAFRAN TS and the Customer shall hold harmless and indemnify SAFRAN TS against all actions, claim costs in relation with the Equipment. SAFRAN TS shall notify the Customer of any missing or damaged components and SAFRAN TS shall replace such missing or damaged items at the Customer’s expense (unless the Customer notifies SAFRAN TS in writing within five (5) calendar days of receiving such notification that the Customer wishes to furnish such missing or damaged components as the Customer furnished material in accordance with the provisions of Article 8 below).

B. Services will be performed in accordance with the lead time set out in SAFRAN TS quotation/proposal. SAFRAN TS will use commercially reasonable efforts to comply with such lead time; however delivery dates shall be treated as estimation only and SAFRAN TS shall not be liable for any loss of profits, loss of use, incidental or consequential damages which may result directly or indirectly from any delay in the delivery of the Services.

C. Should SAFRAN TS discover some additional work to be performed after approval of initial shop finding report by the Customer, SAFRAN TS shall notify the Customer of such additional work. Customer shall provide an amended purchase order, within five (5) calendar days to perform such additional work

D. In connection with the Services applied on the Equipment, SAFRAN TS shall provide the Customer with copies of all work records according to the Customer requirement, notified on the Purchase Order. Standard release will be based on European Airworthiness Security Authority (“EASA”), or, if applicable, the Federal Aviation Administration of the United States (“FAA”), or any other foreign equivalent aviation authority as agreed to in writing by SAFRAN TS and the Customer (each, an “Approved Aviation Authority”). In case of no specific release, SAFRAN TS will release the Equipment with a Certificate of Conformity.

ARTICLE 6 – Parts & scrap

Services shall be performed in accordance with SAFRAN TS standard commercial quality control policies, procedures and practices. SAFRAN TS will determine, at its sole discretion and to the extent Customer does not furnish such parts, to use new parts, overhauled parts, and/or parts in serviceable condition from SAFRAN TS rottable parts inventory to replace the Customer’s unserviceable parts, which could be repaired. In the event that the price of the repair necessary to restore any part of the Equipment to serviceable condition is over sixty five percent (65%) of the then current manufacturer catalogue price if available, or other formally known price of the concerned part, the part shall be identified as being Beyond Economic Repair (BER) and replaced with a new part by SAFRAN TS at the Customer’s costs. SAFRAN TS shall notify the Customer in writing of any part declared scrapped or BER. Within fourteen (14) calendar days of receipt by the Customer of SAFRAN TS scrap or BER notification, the Customer shall either (1) request SAFRAN TS to deliver scrap or BER parts along with the Equipment after application of the Services at agreed incoterm agreed between SAFRAN TS and the Customer. Or (2) request SAFRAN TS to proceed to scrap the parts, which will be charged to the Customer. Otherwise, without indication from the Customer, SAFRAN TS will be stored during three (3) months from the date of the notification and SAFRAN TS will proceed to the scrap of the parts or acknowledge such notification and agree to transfer the title of such part to SAFRAN TS, which shall be covered by the Standard Exchange Form approved by both parties.

ARTICLE 7 – Standard Exchange

If needed due to unavailability of spare parts or complexity of the repair to be performed on the parts, or on the Equipment, SAFRAN TS could propose Standard Exchange to the Customer, in order to commit with The Customer the delivery date of the Equipment. In case of standard exchange between Customer unserviceable part or Equipment and SAFRAN TS proposed serviceable part or Equipment, Customer shall approve such Standard Exchange and provide the requested documentation, at least a Non Incident Statement (ATA106), within five (5) calendar days. Customer parts or Equipment that are replaced by SAFRAN TS parts or Equipment shall become SAFRAN TS property and may be then repaired by SAFRAN TS at its sole discretion. Customer and SAFRAN TS will agree price for delivery of these Standard Exchange parts or Equipment, taking into account related conditions of exchanged parts or Equipment between Customer and SAFRAN TS.

ARTICLE 8 - Customer Furnished Material

The Customer may supply, consistent with the approved workscope and charges set forth in the quotation/proposal, SAFRAN TS with mutually agreed quantities and types of parts as customer furnished material, provided that such parts shall be (1) furnished with an Approved Aviation Authority “serviceable certificate” and certificate of conformity, (2) ready for immediate use, and (3) provided in a timely manner that will not delay SAFRAN TS performance hereunder. For used or repaired parts, Customer shall provide Non Incident Statement (ATA106) and record and history of all maintenance performed. If the Customer’s delay in providing customer furnished material would result in a delay of SAFRAN TS performance, SAFRAN TS may supply such parts and material at Customer’s expense.

ARTICLE 9 - Invoices and Payment

A. Services performed shall be invoiced in accordance with the terms agreed on the quotation.

B. No discount shall be granted to the Customer in case of payment made in advance of the payment due date. SAFRAN TS reserves the right to revise the above mentioned payment terms in case of any payment incident by the Customer and/or in case of any credit degradation risk regarding the Customer. According to SAFRAN TS credit management policy, any payment delay from the Customer will affect the credit conditions granted to the Customer by SAFRAN TS. In such case, SAFRAN TS will be in the obligation to apply a very strict credit policy and will apply a payment in advance term for the full amount of the Services before any Redelivery of Equipment. As a direct consequence, all overdue invoices will have to be paid by the Customer to SAFRAN TS within seven (7) calendar days starting from the date of issuance of the formal notification for non-payment sent by SAFRAN TS and all Redeliveries

of Equipment from SAFRAN TS will be put on hold, starting from the date of issuance of this formal notification.

C. If the Customer is in default of any payment obligation, SAFRAN TS is, without any prior notice and without prejudice to any other rights SAFRAN TS may have at law or under these Standard Terms, entitled to charge interest at a rate of three (3) times the French legal interest rate, from the due date until the payment is received by SAFRAN TS.

D. In case of non-payment by the Customer of any Service within the due dates for payment defined herein and without prejudice to the other rights that SAFRAN TS may have at law or under these Standard Terms, it is acknowledged by the Customer that SAFRAN TS has, by virtue of its work performed, an unconditional and automatic right of retention and a possessory lien and pledge over any Customer's Equipment delivered to SAFRAN TS under the Order while the Equipment is in SAFRAN TS facility and without consideration to the date when the Equipment is entrusted to SAFRAN TS by the Customer or the date when the Service on the Equipment is invoiced by SAFRAN TS to the Customer.

ARTICLE 10 - Taxes

A. All taxes imposed by any governmental authority outside France shall be paid by SAFRAN TS and are included in the prices of the Products, except (i) sales or similar taxes (including value added taxes) from which exemptions may ordinarily be secured by reason of exportation, (ii) taxes with respect to bailed property (such as the Customer's Equipment sent to SAFRAN TS for repair) and (iii) taxes based on or measured by income. Taxes levied by the governments of France shall be paid by the Customer, except as set forth in Article 9.B below.

B. Any taxes based on or measured by income shall be borne by the party who shall realize such income or, in case liability for such tax is contested, by the party whom the taxing authority shall contend has realized such income. Any party who shall be required by law to pay any tax based on or measured by the income of the other party shall be entitled to recover the amount so paid from the other party, by withholding from amounts otherwise due to the other party or by reimbursement by the other party.

ARTICLE 11 - Force Majeure

SAFRAN TS shall not be liable for delay in performing or failure to perform obligations under these Standard Terms and any Order taken under these Standard Terms if the delay or failure results from events, circumstances or causes beyond its reasonable control and not occasioned by its fault or negligence ("Force Majeure Event"), such as but not limited to: acts of God, natural disasters, fire, floods, strikes or other labor disputes, explosions or earthquakes, epidemics or quarantine restrictions, serious accidents, any acts of the Governments or Government-set priorities, war (whether declared or not), insurrection or riots, revolution, sabotage, inability after due and timely diligence to obtain necessary and proper labor, materials, components, facilities, transportation, or failure of a subcontractor to perform a subcontracted work due to the above mentioned causes. SAFRAN TS shall promptly notify the Customer in writing of any Force Majeure Event and resume performance of its obligations immediately after cessation of such Force Majeure Event. Such delay or failure shall not constitute a breach of these Standard Terms or any Order taken under these Standard Terms and the time for performance shall be extended by a period equivalent to that during which performance is so prevented.

ARTICLE 12 - Warranty

A. SAFRAN TS warrants to the Customer that, at the time of Redelivery, the work performed and parts provided under the Order will be free from defects for a period of one (1) year from the date of Redelivery of the Equipment. The Customer shall send to SAFRAN TS a written notice of a defect within thirty (30) calendar days following the discovery of such defect. If SAFRAN TS reasonably determines that the work performed does not meet the warranty specified above, SAFRAN TS shall promptly correct the defect by, at SAFRAN TS option, (1) repairing the defective work or (2) making available at SAFRAN TS facility a replacement Equipment at SAFRAN TS Costs. The warranty period on any such repaired or replaced equipment shall be the unexpired portion of the warranty on the initially repaired Equipment. If requested by SAFRAN TS, the Customer shall reasonably ship such defective Equipment, freight prepaid, to the location specified by SAFRAN TS.

B. The foregoing warranty is exclusive and in lieu of all other warranties, whether written, oral, expressed, implied or statutory (including, without limitation, any warranty of merchantability and fitness for particular purpose). This warranty is not assignable without the written consent of SAFRAN TS. This warranty is applicable only if: the Equipment, following Redelivery, (1) has been transported, stored, installed, operated, handled, maintained and repaired in accordance with the then current recommendations of the Equipment manufacturer as stated in its manuals or other written instructions; (2) has not been altered, modified or repaired by anyone other than SAFRAN TS; and (3) has not been subjected to accident, misuse, abuse or neglect.

C. The liability of SAFRAN TS connected with or resulting from the foregoing warranty shall not exceed in any case the cost of correcting the defect of the Equipment itself. Upon the expiration of the warranty period, all such liability shall terminate. The foregoing shall constitute the sole remedy of the Customer and the sole liability of SAFRAN TS for breach of warranty.

ARTICLE 13 - Limitation of Liability

A. SAFRAN TS hereby renounces all claims and recourses against the Customer in case of death or injury to any employee of SAFRAN TS and in case of loss or damage to properties owned by SAFRAN TS (except while entrusted, delivered or leased to Customer), where such damage occurs during and arises directly from the performance by SAFRAN TS of the Services, unless caused by the gross negligence or willful misconduct of the Customer.

B. The Customer hereby renounces all claims, recourses or liabilities (strict, contractual or in tort) of or against SAFRAN TS in case of damage of whatever nature caused to the aircraft, Equipment and/or any part, to properties owned or leased by the Customer, to properties entrusted to the Customer, to Customer's employees or caused to any third party (including the owner(s) of the aircraft) and resulting directly or indirectly from the performance by SAFRAN TS of the Services, and undertakes to indemnify and hold SAFRAN TS harmless from any claim or recourses from any third party (including the owner(s) of the aircraft), unless caused by the gross negligence or willful misconduct of SAFRAN TS.

C. Without prejudice to the aforesaid Article 13.B and to the fullest extent permitted by the governing law, the liability of SAFRAN TS to the Customer arising out of or resulting from the SAFRAN TS breach of its obligations under these Standard Terms and any Order taken under these Standard Terms shall not in any event exceed the purchase price of the Services giving rise to the Customer's claim. Beyond the amount of liability here above mentioned, the Customer hereby expressly waive any right of recourse or cause of action against SAFRAN TS which would be in excess of the maximum amount payable under this Article 13.C and hold SAFRAN TS harmless from any third party claim beyond the aforesaid limit of liability.

D. To the fullest extent permitted by the governing law, in no event shall SAFRAN TS be liable for any reason, whether arising in contract (including warranty) or otherwise, for incidental, consequential, punitive or indirect damages of any kind whatsoever, including without limitation loss of use, revenue or profit.

E. The Customer shall obtain, on or before the entry into force of the Order, satisfactory insurance coverage concerning all types of legal liability naming SAFRAN TS as additional insured and waiving any right of recourse against SAFRAN TS, in accordance with the provisions of this Article 11, such as but not limited to an aviation hull aircraft liability coverage, including aviation product liability, of an amount at least equal to the amount required by the Regulation (EC) N°785/2004 of the European Parliament and of the Council of 21 April 2004 on insurance requirements for aircraft carriers and aircraft operators. This shall be considered as a material obligation under these Standard Terms. Upon request, the Customer shall provide SAFRAN TS with the relevant insurance certificates. Any applicable deductible shall be borne by the Customer.

F. For the purpose of this Article 13, "SAFRAN TS" is deemed to include SAFRAN TS and its insurers and "Customer" is deemed to include the Customer and its insurers. Third party, identified by the Customer, shall be responsible to ensure Equipment at the same level as the Customer.

ARTICLE 14 - Confidentiality and Intellectual Property Rights

A. Any information, document and data of whatever nature, commercial or otherwise, transmitted by SAFRAN TS to the Customer in connection with the Order and the Services, shall be deemed confidential information and the Customer undertakes not to disclose any such information, document or data to any third party for any reason whatsoever and not to copy or reproduce any such information, document or data without the prior written consent of SAFRAN TS, except (i) as may be required by law or governmental regulations, (ii) for information in the public domain and/or accessible to the general public, (iii) for the internal use of the Customer (but in such case only to the Customer's representatives having demonstrable need to know), or (iv) for the purpose of insurance coverage. The confidentiality obligations contained herein shall continue during a ten (10) year period following the expiration or termination of the Order.

B. Should the performance of the Order result in the creation and development by SAFRAN TS of any intellectual property right, only SAFRAN TS shall have full title and interest in such right. In no event shall SAFRAN TS be liable to the Customer for infringement of any intellectual or other similar property rights.

ARTICLE 15 - Termination

SAFRAN TS may terminate an Order upon a thirty (30) calendar day written notice to the Customer for failure to comply with any material provision of these Standard Terms and/or the Order, unless the failure has been cured by the Customer prior to such thirty (30) calendar days. SAFRAN TS may immediately terminate an Order if the Customer (i) fails to make any of the required payments when due, unless cured within ten (10) calendar days of such payment due date, (ii) makes any agreement with creditors due to its inability to make timely payments of its debts, (iii) enters into liquidation whether compulsory or voluntary, (iv) becomes insolvent, or (v) becomes subject to the appointment of a receiver of all or a material part of its assets. If such termination should occur, the Customer shall not be relieved of its payment obligation for Services rendered hereunder.

ARTICLE 16 - Law and Jurisdiction

A. These Standard Terms and any Order taken under these Standard Terms shall be governed by and construed in all respect in accordance with the laws of France, to the exclusion of its conflict of law rules.

B. The parties shall attempt to amicably resolve any dispute, controversy, claim or matter arising under or relating to these Standard Terms and any Order taken under these Standard Terms ("Dispute") within a period of thirty (30) calendar days from the date of notification in writing (by registered mail) by one party to the other of the Dispute. If the parties fail to amicably resolve the Dispute within the said period of thirty (30) calendar days, the Dispute shall be referred to the exclusive jurisdiction of the Commercial Court ("Tribunal de Commerce") of Paris, France.

ARTICLE 17 - General Provisions

A. SAFRAN TS shall be entitled to subcontract part of the Services stipulated in the Order to any suitable third party without the prior consent of the Customer.

B. The Customer shall not transfer or assign any rights or obligations under an Order in whole or in part without having obtained the prior written acceptance of SAFRAN TS.

C. To the extent that the Customer or any of its property becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise from any legal action, the Customer hereby irrevocably waives the application of such immunity insofar as such immunity relates to Customer's rights and obligations in connection with these Standard Terms and any Order taken under these Standard Terms.

D. Any term or conditions hereunder which is or may be determined to be void or unenforceable under any applicable law by any competent jurisdiction shall be deemed severable and shall not affect any other provision hereunder. If any provision of these Standard Terms and any Order taken under these Standard Terms shall be declared illegal, void, or otherwise unenforceable, the remaining provisions shall remain in full force and effect.

E. All correspondence and documentation arising out of or connected with these Standard Terms and any Order taken under these Standard Terms, including but not limited to Equipment records and logs, shall be in the English language.