

**GENERAL PURCHASING CONDITIONS
SAFRAN GROUP COMPANIES IN THE
UNITED MEXICAN STATES**

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THESE GENERAL PURCHASING CONDITIONS DEFINE THE TERMS AND CONDITIONS FOR PLACING AND PERFORMING ORDERS FOR PRODUCTS AND/OR SERVICES FOR SAFRAN GROUP COMPANIES IN THE UNITED MEXICAN STATES. HOWEVER, THESE GENERAL PURCHASING CONDITIONS DO NOT APPLY EITHER TO AERONAUTICAL PRODUCTS AND/OR SERVICES OR INTELLECTUAL SERVICES ORDERS.

1 – DEFINITIONS

“Acceptance Report”: A document issued by the Purchaser, signed by both Parties, confirming the acceptance of the Supply.

“Background”: Documents, knowledge, data, plans, methods, processes, drawings, software, models, patented or not, protected or not, including know-how, and more generally, any information whatever its nature or its medium, of which a Party is the owner, the author, or the licensee before the coming into force of an Order or after an Order but without access to the other Party’s Background. Background is related to the industrial and intellectual Property of the Parties.

“Declaration of Conformity”: A document given by the Supplier warranting that the Supply conforms to all applicable standards and other regulations in force.

“Documentation”: Any document issued or provided by the Supplier, necessary for the achievement, installation, use, operation and maintenance of the Supply.

“Entrusted (or Bailed) Property”: Property of any kind or nature entrusted by the Purchaser to the Supplier and placed under his control and responsibility, including any procurements as well as tooling manufactured by the Supplier, on behalf and at the cost of the Purchaser, in relation to the performance of the Order.

“Final Client”: Client of the Purchaser, or the ultimate purchaser of a product and/or service incorporating the Supply.

“General Purchasing Conditions”: The provisions set forth in this document.

“Industrial Equipment”: Any manufacturing business machinery having the nature of or characterized by industries, including but not limited to a product, machine, installation, device or equipment used for the study, manufacture, test or the control of products designed and/or manufactured by the Purchaser.

“Official Authorities”: Any national or international organization with the authority (including by delegation of a public authority) to monitor the performance of the Supply ordered, including but not limited to organizations that certify particular products or services, or organizations that audit businesses.

“Order”: That certain document, regardless of the form, issued by the Purchaser and sent to the Supplier from time to time, concerning the written requests of the purchase or the lease of a Supply and including, among other things, the designation of the Supply ordered, its price, and a reference to these General Purchasing Conditions.

“Party(ies)”: Singularly, the Purchaser or the Supplier, and collectively both the Purchaser and the Supplier.

“Purchaser”: The Safran Group Company issuing the Order.

“Results (or Foreground)”: Any element, subject of the Order, of any nature whatsoever, regardless of its medium or form, including processes, data, software, moulds, tooling, equipment, sets of documents, plans, technical sheets, drawings, models, prototypes, sets of trials, or any other element regardless of whether or not it gives rise to intellectual or industrial property rights, and which is produced or developed for the Purchaser on the basis of plans and/or diagrams and/or any other Specifications of the Purchaser in the course of the performance of the Order. Any Results are part of the Supply.

“SAFRAN Group Company(ies)”: SAFRAN and/or any legal entity in which SAFRAN directly or indirectly owns equal or more than 50% (fifty percent) of the capital stock or its shareholders act as administrators or have direct control in the decisions of the Board of Directors or general approval in the operations of these legal entities..

“Specifications”: Any document setting out the requirements that the Supplier or the Supply shall comply with, the Purchaser’s needs and the performance conditions of the Supply, including the statement of work description, applicable standards and quality requirements of the Supply.

“Supplier”: The natural person or legal entity to whom the Order is sent.

“Supply”: Products (including software and Industrial Equipment) and/or services (including Works), which are the subject of the Order.

“Works”: Any all real estate work, equipment, installation, major maintenance, renovation, or any similar work or work product.

2 – CONTRACTUAL DOCUMENTS

2.1 These General Purchasing Conditions set forth the contractual relationship between the Supplier and the Purchaser within the framework of the Orders and the contract (if applicable). These General Purchasing 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 Purchaser. These General Purchasing Conditions may also be supplemented by the issuance of additional Specifications sent, or agreed to in writing, by the Purchaser.

The relationship between the Purchaser 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 the purchase;
- The Order;
- The General Purchasing Conditions; and
- The Specifications.

It is however understood that the Order must be performed in accordance with the provisions of the agreements concluded between the Parties, unless otherwise agreed to in writing by mutual agreement. In the event of contradiction between any two documents listed above, the document listed higher shall prevail.

2.2 The Order shall be deemed to have been accepted by the Supplier upon the earlier of:

- Purchaser's receipt of the Order signed by the Supplier, without modifications, within 15 (fifteen) calendar days starting from the date on which the Order was issued;
- Commencement of performance of the Order by the Supplier, without the Supplier's written reservation with respect to the Contractual Documents, within 15 (fifteen) calendar days from the date on which the Order was issued.

Upon acceptance of the Order, the Supplier accepts the Contractual Documents without any reservation. The Contractual Documents constitute the entire agreement between the Parties and shall supersede and override all previous communications, either oral or written, between the Parties with respect to the subject matter of the Contractual Documents.

Any other conditions that would complete or modify the Contractual Documents shall not be enforceable to the Parties without their prior express agreement in writing.

3 – ORDERING PROCEDURE

3.1 The Purchaser shall request the Supply in writing by placing the Order(s) either by courier, fax, e-mail, or any other appropriate manner previously agreed by the Parties. The Parties agree that the submission of Orders in electronic manner is subject to the applicable conditions to these exchanges provided in Appendix 2.

3.1.1. The Supplier undertakes to perform the Orders in accordance with the provisions of the Contractual Documents, state of the art rules, all applicable international, state, regional and local laws and regulations, legal authorizations and standards in force. The Supplier has an obligation of result with regard to compliance with the timeframes and delivery of the Supply set in the Contractual Documents and in accordance with any other modalities provided for in the latter.

3.1.2. The Supplier acknowledges and agrees that it may be necessary to obtain certain licenses, certifications, approvals, notifications or registrations to give legal effect to the Contractual Documents or to perform the Orders. If any approval is needed, or the notification or registration, is required at any time during the performance of the Contractual Document, with respect to giving legal effect to the Contractual Documents, or with respect to compliance with exchange regulations or other requirements, the Supplier agrees to immediately take any and all steps necessary to obtain the approval, notification or registration. The Supplier will pay any charges incurred in connection with obtaining the licenses, certifications, approvals, notifications or registrations. The Supplier will keep the SAFRAN Group Companies currently informed of its efforts in this regard and will respond for any damages or prejudices caused by the non-compliance of the obligations herein mentioned.

3.2 The Supplier is solely and fully responsible for determining the resources and means required to perform the Order. The Supplier shall, in particular, verify that it has all necessary rights, elements and information to perform the Order, and shall procure, before its implementation, any missing elements, resources and information pertaining to the Order. Moreover, the Supplier shall promptly inform the Purchaser of any existing or future difficulties or anomalies that may occur during the implementation of the Order.

3.3 The Supplier has a duty to inform and provide advice to the Purchaser. In addition, the Supplier shall promptly inform the Purchaser in writing of any situation concerning the latter that might jeopardize the proper performance of the Order. In particular, it shall inform the Purchaser should its business become the subject of bankruptcy proceedings (insolvency, receivership or liquidation subject to court supervision), or should any equivalent situation occur, such as the winding-up or total or partial transfer of its business activity, or in the event of any modification of its organizational structure that might jeopardize the proper performance of the Order.

If authorizations, whatever their nature, are required in the framework of an Order, the Supplier, before the completion of the Order, shall ensure to obtain all the necessary authorizations, so that the Purchaser is free from any actions or proceedings in this respect.

3.4 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 Purchaser.

Throughout the duration of the Supply's performance, and upon prior notice, the Supplier undertakes to grant the Purchaser and the representatives of any relevant Official Authorities free access, during business hours, to its premises and to any document for the monitoring purpose. The Supplier shall obtain the same right from any of its subcontractors.

3.5 The Supplier and the Purchaser may exchange electronic data for the performance of the Order. The applicable conditions to these exchanges are provided in Appendix 2.

3.6 For Supply Orders whose completion is staggered over time, the Supplier undertakes to keep the Purchaser regularly informed of the progress of the Order. The Order may specify the conditions relating to the provision of such information.

3.7 When the Supply is related to Works, the Supplier shall have responsibility for the control and management of the site, in which its management shall be in good standing under the applicable United Mexican States rules, regulations and standards (including Normas Oficiales Mexicanas (NOMS), unified technical documents and technical advice). Within this framework, it shall provide site supervision and take adequate protective measures for the materials and equipment, which it has, custody or ownership, against theft or damage of any sort.

3.8 When the Supply is related to Industrial Equipment, the Supplier undertakes at no additional charge, to train operators, machine programmers and maintenance specialists, in summary, all the Purchaser's applicable personnel, so that they could autonomously and optimally use and maintain such Industrial Equipment. This training shall be completed at the latest at the time of provisional acceptance of the Supply.

4 – DELIVERY

4.1 Any delivery of Supply shall be accompanied by a delivery slip affixed to the outer packaging, with a copy of the said delivery slip inside the package, containing the following information:

- Identification number of the delivery slip;
- Order number and item number of the Order;
- Supply reference;
- Supply description as specified in the Order;
- Declaration of Conformity, where applicable;
- Quantity delivered and, where applicable, the serial number and the individual number of products/parts;
- If necessary, the number of packages;
- Unit of purchase; and
- Number of the possible dispensation(s).

If necessary, a customs document and a transport document in compliance with applicable trade compliance regulations, as well as any other documents required for customs clearance operations within the framework of imports.

4.2 The Supplier agrees that the delivery and availability of the Documentation and the documents required by applicable regulations and standards is an integral part of the Supply.

4.3 The Purchaser reserves the right to refuse and send back, or make available for pickup by the Supplier, at the Supplier's sole cost and risk, any goods (Supply) that do not meet the Specifications outlined in the Contractual Documents, or include a modification to such Specifications that are unacceptable to the Purchaser in its sole and absolute discretion.

4.4 Unless otherwise provided in the Order, the delivery of the Supply shall be DAP "address of the Purchaser" (Incoterms 2010 - International Chamber of Commerce). Notwithstanding the foregoing, the transfer of the risks of the Supply takes place on the signature date of the Acceptance Report by the Supplier and the Purchaser.

4.5 Packaging shall be carried out in compliance with the Contractual Documents, regulations and standards in force. It shall include, if necessary, all labeling, packaging, instructions, instructions, warnings and disclaimers intact and provide sufficient protection to ensure that the Supply undergoes no deterioration during transport and/or storage. Any damaged Supply upon delivery shall be returned to the Supplier and the transport, repair, assembly, and trial costs, if any, shall be borne by the Supplier.

4.6 The Supplier shall deliver the Supplies with the corresponding bill of landing, invoice and certificate of quality per lot of the Supplies, and certificate of origin, if applicable, and the documentation requested by the authorities for the release of the Supplies' sale if applicable.

4.7 If the Supply is related to Industrial Equipment, the delivery shall be subject to an agreement with the Purchaser at least 72 (seventy-two) business hours before the equipment is dispatched. Furthermore, the Supplier is responsible for unloading, handling operations, installation, assembly and making the Industrial Equipment operational at the

Purchaser's site, in accordance with the provisions stated in the Contractual Documents. In the event that the Supplier asks the Purchaser to provide tooling or other Purchaser goods and/or services which were not specified in the Order, the Purchaser reserves the right to invoice the Supplier, given that the Supplier shall use the Purchaser's tooling, goods, and/or other services at the Supplier's own risk and under the Supplier's sole responsibility.

5 – DEADLINES

5.1 Time is of the essence with respect to the Contractual Documents. The deadlines agreed between the Parties are mandatory and respecting these deadlines constitutes an essential condition without which the Purchaser would not have contracted.

5.2 The Supplier shall promptly inform in writing the Purchaser of any foreseeable delay in respect to the contractual deadlines, and of any measures taken to remedy such delay. Except for force majeure events, the Supplier shall bear any additional expenses resulting from this delay.

5.2.1. In order to comply with the contractual deadlines, Supplier shall keep an adequate and sufficient stock of the Supplies or, if services are provided, the necessary personnel to meet all the requirements of the SAFRAN Group Companies as per confirmed Orders.

5.3 In the event of failure to meet contractual deadlines, the Purchaser 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% (zero point five percent) of the pre-tax price of the relevant Order per calendar day delay, these liquidated damages being capped at 15% (fifteen percent) of the pre-tax amount of the Order; and/or
- Terminate the Order under the terms and conditions referred to in Article 24, "Termination" below, without any indemnity being due to the Supplier.

These penalties do not discharge the Supplier from its obligations and cannot be considered as a final, lump-sum compensation for the damage incurred by the Purchaser. The Purchaser shall notify the amount of late penalties by written document. The Supplier agrees that the Purchaser may deduct, after a period of 15 (fifteen) calendar days following the notification, the late payment penalties from the amount due to the Supplier in relation to the late Order, if within this time period the Supplier has not disputed in writing the facts of the grievance or has not already paid to the Purchaser the amount claimed. In the event the amounts owed to the Supplier are lower than the amount of penalties, the difference shall be paid by the Supplier within the deadline set by the Parties as for the invoice payment, such deadline starting from the notification by the Purchaser of the amount of penalties.

5.4 In the event of early delivery or delivery of excess quantities of the Supply, the Purchaser 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.

6 – ACCEPTANCE

6.1 The Contractual Documents provide an acceptance procedure for the Supply, in several phases: preliminary acceptance, provisional acceptance and final acceptance. The Purchaser reserves the right to refuse the Supply when the related Documentation is incomplete or is non-compliant with the Contractual Documents provisions.

Preliminary acceptance: when the Contractual Documents provide for preliminary acceptance of the Supply at the Supplier's premises, the Supplier shall send the Purchaser a copy of the acceptance trial reports describing the inspection operations carried out, the devices used for that purpose and the results obtained, as well as, when applicable, a copy of the report by the authorized control organization, fifteen (15) calendar days before the date fixed for preliminary acceptance. After satisfactory preliminary acceptance, the Purchaser shall issue a preliminary Acceptance Report and shall notify its agreement for the dispatching and delivery of the Supply to the Supplier's premises.

Provisional acceptance: after installation, assembly, putting into service and trial runs on the Supply at the Purchaser's premises, there may be provisional acceptance of the Supply pursuant to the conditions specified by the Contractual Documents. The provisional Acceptance Report corresponds to the operational use of the Supply. Its signature implies the transfer of risks and the transfer of ownership to the Purchaser.

Final acceptance: it is pronounced after the lifting of any possible reservations and the satisfactory verification of the Supply operation during the specified period in the Contractual Documents. Upon final acceptance, the Purchaser will execute the final Acceptance Report.

Lastly, in the specific case where the Supply is related to Works, and in the case that the Purchaser takes partial possession of a piece of Work before the completion of the Works, on an exceptional basis, a partial acceptance of the Works completed may be arranged prior to this taking of possession of the Works.

6.2 No acceptance can be considered as tacitly pronounced, unless otherwise agreed by the Parties, the acceptance or the verification of the conformity of the Supply shall be made within 30 (thirty) days of delivery.

The issuing of an Acceptance report is in no event to be interpreted as a waiver of any sort, or affect the extent of the warranty or other commitments made by the Supplier hereunder or any legal warranty.

6.3 The Final Client may participate, carry out or validate the acceptance procedure. In this case, the acceptance pronounced by the Purchaser only becomes final following acceptance by the Final Client.

6.4 In case of non-conforming Supply to the Contractual Documents, the Purchaser shall inform the Supplier to allow the latter to inspect the non-conformity within a period of 10 (ten) days following the notification by the Purchaser. Should the Supplier neither inspect nor dispute the non-conforming Supply within this period, the Purchaser reserves the right, at its option:

- To accept the non-conforming Supply as is, in exchange in particular for a price discount agreed by both Parties;

- To accept it after corrective work at the Supplier's expense, carried out either by the Supplier itself or by the Purchaser (or by a third party appointed by the Purchaser);
- To refuse it, making it available to the Supplier for removal at the latter's own expense and risk within 15 (fifteen) calendar days of the date of notification of non-conformity by the Purchaser; and
- To refuse it and return it to the Supplier, at the latter's own expense and risk, within a period of 15 (fifteen) calendar days following the notification of non-conformity by the Purchaser.

The non-conforming Supply refused by the Purchaser shall be deemed undelivered and shall give rise to the application of the penalties in accordance with article "Deadlines" above, notwithstanding the Purchaser's right to seek damages due to the non-compliance, and/or to cancel the Order.

7 – TRANSFER OF OWNERSHIP

The transfer of ownership to the Purchaser takes place, notwithstanding any reservation of title clause contained in the Supplier's documents:

- Upon delivery at the Purchaser's site with respect to the Supplies (products or parts elements of the services or services); or
- At the signature of the Acceptance report if acceptance is specified in the Contractual Documents; provided that;
- With regard to the Results and/or Works, as and when they are produced.

8 – ENTRUSTED (OR BAILED) PROPERTY

Entrusted (or Bailed) Property is to be reserved exclusively to the performance of the Purchaser's Orders and is deemed to be lent in application of Title Seven, articles 2497, 2498, 2499 and their correlatives in the Mexican Federal Civil Code.

Entrusted (or Bailed) Property remains the property of the Purchaser, of the person who entrusted it to the Purchaser, or of the Final Client. The Entrusted (or Bailed) Property shall be identified as such and stored in such a way as to avoid any confusion with the property of the Supplier or any other third party. Any modification or destruction of the Entrusted (or Bailed) Property shall be subject to prior written agreement by the Purchaser.

The Supplier undertakes to send the Purchaser, in December of each year, an inventory of the Entrusted Property which have been placed at its disposal or financed by the Purchaser. When the inventory is not provided to the Purchaser as stated above, the Purchaser may carry out the inventory itself at the expense of the Supplier.

The Supplier undertakes to return the Entrusted Property in the same condition, fair wear and tear excepted, upon the Purchaser's first request. At the time that the Entrusted Property is returned to the Purchaser, the Purchaser and the Supplier shall carry out a joint inventory.

The Supplier shall monitor the Entrusted (or Bailed) Property and take all adequate measures for protection against theft or damage of any sort. In the event of any direct or

indirect interference by anyone to the Entrusted (or Bailed) Property, the Supplier shall promptly inform in writing the Purchaser, take all the necessary measures to defend the proprietary rights of the owner of the Entrusted (or Bailed) Property and ensure that the interference ceases. Should the Supplier have a lien granted by law on the Entrusted (or Bailed) Property, then upon acceptance of the Order, the Supplier shall expressly and immediately surrender such lien of the Entrusted (or Bailed) Property.

9 – PRICE – INVOICING – PAYMENT TERMS

9.1 Unless otherwise agreed by the Parties in a signed document, the prices stated in the Order are firm and non-revisable, and include all applicable taxes. These prices include all the costs and expenses incurred by the Supplier for the performance of the Supply, including the assignment of potential Results and related economic rights as well as shipping expenses to transmit the Supply and/or the Results to the Purchaser's site(s).

9.2 The Supplier shall invoice the Supply in accordance with the Contractual Documents and, in any case, not before the delivery of the products, and not before the performance of the services. When an invoicing schedule is mentioned in an Order, the Supplier shall comply.

Invoices shall be drawn by the Supplier in accordance with applicable regulations and include, in addition to legal notices, the following:

- The Order reference as indicated on such Order (only one Order number by invoice);
- A detailed description of the Supply as described in the Order;
- Details of the bank account into which payment must be made;
- Details (name, phone number, email address) of the representative to contact in case of billing disputes; and
- The date and the number of the delivery slip, or the acceptance report or the Works report, or any other event leading to an invoice as provided in the Order.

The original invoice must be sent upon being issued to the address indicated at the Order.

The original delivery slip or the original acceptance report or any original document agreed between the Parties and resulting in an invoice will not be sent with the invoice but separately to the Purchaser at the address indicated at the Order.

If the Purchaser and the Supplier agree to have the invoices sent in a dematerialized format, then the Parties will enter into an agreement on the exchange of electronical data.

For information, a guide to best practices in order to develop and facilitate the invoice/payment process is available on the Supplier's portal of Safran's website (www.safran-group.com).

Any credit note must indicate the invoice reference and the Order related, for accounting purposes.

9.3 If the Purchaser grants the Supplier advances or down payments on the amount of the Order, payment thereof shall be covered by a first demand guarantee drawn up in

accordance with the template enclosed in Appendix 1 or by any other guarantee agreed between the Parties.

With respect to Works, the payment shall be made according to the schedule mentioned at the Order and/or, according to the agreement of the Parties, on monthly statement of Works established from the price schedule (estimate or contract), according to the percentage of completion of Works. Payment on monthly statement of Work is only applicable on the basis of a schedule agreed between the Parties after which the balance is paid following final statement.

Down payments are only granted to the extent that (i) the Works in question require a high level of procurements, and (ii) these down payments do not exceed an amount corresponding to 20% (twenty per cent) of the pre-tax price of the Works.

Any final payment is only made by the Purchaser once the Supplier has handed over the technical Documentation, the checkings, the maintenance instructions and the Declarations of conformity.

Any final payment is only made by the Purchaser upon a final Acceptance Report, and once the Supplier has handed over the technical Documentation, related inventory plans, the maintenance instructions, and the Declaration of Conformity.

9.4 Unless otherwise agreed by the Parties and subject to any legal provision in force, the deadline for payment shall be 45 (forty-five) days end of month from the date of issuance of the invoice, being specified that the calculation of this deadline for payment is: end of the month of the date of issuance of the invoice, plus 45 (forty-five) days.

In the event of late payment, late penalties shall be due starting from the day after the deadline for payment specified on the invoice, without any reminder being necessary. In this case, the interest rate for penalties shall be equal to 6% (six percent) the total amount of the invoice.

9.5 Notwithstanding the foregoing, the Parties may agree in writing from time to time on other means and terms of payment at their best mutual convenience

10 – REPRESENTATIONS - WARRANTY- MAINTENANCE

10.1 Supplier represents, warrants and covenants that:

- a) It possesses good title to the Supplies provided to the SAFRAN Group Companies or Company, as applicable, hereunder.
- b) The products are manufactured according to the principles and guidelines of good manufacturing practices and the Specifications.
- c) The products shall be free of any defect in raw material, formulation, manufacturing, labeling, and handling.
- d) The products do not infringe any third party intellectual property rights in the United Mexican States or the applicable country.

10.2 Supplier hereby agrees to indemnify, hold harmless and at Purchaser's request, defend the Purchaser, its officers and directors from and against any damage, loss, liability, claim,

or expense (including without limitation reasonable expenses or investigation and reasonable attorney fees) arising out of, or in connection with (i) any asserted or actual violation of applicable law or regulations by virtue of which products shall be alleged or determined to be not in full compliance with any law and regulations (except to the extent caused by negligent handling of the Products by the Purchaser), (ii) any breach by Supplier of any of its obligations under the Contractual Documents. (iii) claims of bodily injury, death, property damage, or other damage arising out of raw material, manufacturing process, packaging, possession, distribution, sale or use of products (except to the extent caused by negligent handling of the Products by the Purchaser).

10.3 The Supplier warrants the proper performance of the services, subject to the Supply, in accordance with the Contractual Documents.

10.4 Unless otherwise agreed between the Parties, the duration of the warranty is two (2) years from the date of the delivery of the Supply, or where an acceptance procedure is provided, from the date of the issuance of the final Acceptance report of the Supply. It shall cover (i) any refurbishment or replacement of the product parts or service correction or (ii) reimbursement of the product or service (except when the Supplier is the Purchaser's sole source). The warranty covers parts, labor, transport and travel. It also includes the cost of disassembly, handling, customs duties and reassembly of parts, and for the Works, the cost of destruction or re-performance the Works. This warranty clause is without prejudice to any damage sustained by the Purchaser.

10.5 Unless otherwise agreed between the Parties, replacements or repairs of the Supply under the warranty provided in this article shall be performed within a maximum period of forty-five (45) days following the written notice of the defect sent by the Purchaser.

When a Supply includes several subsets, the Supplier shall correct at its own expense any anomaly and damage that may be caused by such defect or malfunction in the other subsets of the said Supply.

10.6 Any product replaced or repaired or any service corrected shall be guaranteed, under the same conditions as above, until the end of the warranty period and in any case during a period of six (6) months from the time of the repair/correction. In the event the Supplier does not perform its warranty duties, the Purchaser reserves the right to perform or have a third party perform the necessary works at the Supplier's expense.

10.7 When the Supply is related to Industrial Equipment:

During the warranty period, the Supplier undertakes to send a technician free of charge within two (2) business days and ensures that the equipment is operational again within five (5) business days from notification of the Supply failure by the Purchaser to the Supplier. In the event of delays in implementing the warranty, the Purchaser may apply automatically and without prior notification, a penalty of 0.2% (cero point two percent) of the Supply's price concerned by the failure per late business day. This penalty shall be capped at 15% (fifteen percent) of the total amount of the said Supply.

10.8 If applicable, when the Supply is related to Works:

The acceptance is the starting point of the legal warranties, including but not limited to the perfect completion of the works warranty, the works and incorporated equipment decennial

warranty, and the proper operating order of the equipment not incorporated to the building warranty.

10.9 When the Supply is related to Industrial Equipment, the following provisions shall apply:

The Supplier shall propose to the Purchaser, at the latest at the time of the Industrial Equipment delivery, a contract defining the maintenance conditions for the Industrial Equipment at the end of the warranty period. This maintenance contract shall provide, in particular: (i) the regularity and type of verifications carried out during preventive maintenance visits by the Supplier, (ii) the breakdown response times for which delays will be sanctioned by a penalty corresponding to 0.1% (zero point one percent) of the purchase price of the Supply with the breakdown per late business day, being specified that this penalties shall be capped at 15% (fifteen percent) of the total amount of the maintenance contract, (iii) the price of the maintenance and the conditions for annual revision of this price, (iv) the prices and delivery times for spare parts, (v) the Supplier's guarantee with respect to the maintenance services, (vi) the period of time during which the Supplier undertakes to provide the maintenance services and the supply of spare parts, this period shall not being less than five (5) years starting from the date on which the maintenance contract takes effect.

FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS WARRANTY CLAUSE SHALL PREJUDICE THE PURCHASER'S RIGHT TO COMPENSATION FOR ANY DAMAGES SUSTANIED BY THE PURCHASER AS A RESULT OF THE SUPPLY, THE RESULTS, OR THE WORKS.

11 – CONTINUITY

The Supplier shall inform the Purchaser at least twelve (12) months in advance of any production stoppage or withdrawal from its catalogue of the Supply.

When a Supply involves Industrial Equipment, the Supplier shall be able, for a minimum period of ten (10) years starting from the date of the final Acceptance report, to supply all spare parts, components and other necessary elements for the use of the Supply.

For the Supply Order whose implementation is staggered over time, the Supplier undertakes to implement a business continuity plan aim at defining measures to be taken to keep running the performance of the Order upon the occurrence of an event likely to prevent its performance.

12 – INDUSTRIAL AND INTELLECTUAL PROPERTY

12.1 Background.

12.1.1 Each Party shall remain the sole right holder of its Background, without prejudice to third parties' rights.

12.1.2 If Purchaser's Background is necessary to the performance of the Order, the Purchaser grants to the Supplier, for the duration of the Order and for the sole purpose of its performance, a personal, non-exclusive and free of charge right to use this Background.

The Supplier undertakes not to use, copy or reproduce, whether entirely or partially, this Background, for any purposes other than the performance of the Order. This right to use the Purchaser's Background may be extended to the Supplier's subcontractors performing part of the Order, subject to Purchaser's prior written consent.

The Supplier undertakes not to modify in any way the Background granted by the Purchaser for the performance of the Order, without the Purchaser's prior written consent. In any case, the Supplier undertakes not to acquire any intellectual property rights deriving from or based on the Purchaser's Background.

12.1.3 If Supplier's Background is necessary to use and/or to operate the Results, the Supplier grants to the Purchaser, for the legal duration of intellectual property rights and for all the countries in the world, a non-exclusive, irrevocable, transferable and free of charge right to use and/or operate this Supplier's Background, with the right to sublicense. The Purchaser undertakes not to use this Background for any other purpose than the use and/or the operation of the Results. In any case, the Purchaser undertakes not to acquire any intellectual property rights deriving from or based on the Supplier's Background.

If the Supplier assigns or transfers to a third party its rights on such Background or if this Background belongs in whole or in part to one or several third party(parties), the Supplier shall obtain an undertaking from this(these) third party(parties) that it(they) will grant the Purchaser the same rights as those provided by this article.

The financial compensation for these rights granted to the Purchaser is included in the Order's price.

12.2 Property of the Results deriving from the Purchaser's Background and/or Specifications

12.2.1 The Supplier transfers, exclusively to the Purchaser, the ownership of the entire Results and related economic rights as and when they are produced. Consequently, the Purchaser will, as the owner, be allowed to freely operate, license and transfer the Results in the most extensive way and in any country in the world, on any media, in any format and for any purpose.

If the Results are software, the Supplier undertakes to make available to the Purchaser the source codes of such software developed within the framework of the Order.

It is specified that for Results that could be subject to a copyright protection (in particular software), the economic rights transferred to the Purchaser by the Supplier include the display, reproduction, translation, adaptation, modification, marketing, use, retention, and duplication rights and more generally all operating rights for any purpose and for the duration of the legal protection period of economic rights.

If the Results are a creation or an invention that can be protected by an intellectual property right, the Supplier undertakes to grant the Purchaser – and consequently to make its employees, as well as any third parties it could rely on, grant to the Purchaser – all necessary powers to file under the Purchaser's name, in the United Mexican States or in any other country, any patent or any intellectual property right whatsoever in relation with such creation or invention. In such case, the Purchaser will indicate the name of the inventors and the Supplier will bear, at no additional cost for the Purchaser, the expenses of any additional

payment to its employees and/or to any concerned third parties for such creation and invention.

The Supplier undertakes not to use the Results in any field where SAFRAN Group Companies operate, such fields being determined in the registration documents filed annually, except if the Purchaser gave a prior written consent and such use is made in accordance with the terms and conditions to be set by agreement between the Parties.

12.2.2 The Supplier may be allowed to use the Results in any other field than the ones where SAFRAN Group Companies operate, provided that:

- The Supplier shall notify the Purchaser by prior written notice of its request to use the Results, such request indicating the field(s) of activity in which it intends to operate, and
- The Supplier and the Purchaser shall sign a licensing agreement setting the terms and conditions for such use. If the Results are derived from an Order related to a Supply for the Mexican State, the Supplier shall pay any royalties to the Mexican State as provided by the United Mexican States Laws for the marketing of products and services deriving from such Results.

12.2.3 This Article 12.2 is not applicable whenever the Supply is not performed on the basis of Purchaser's Background and/or Specifications.

12.3 Warranties.

12.3.1 The Supplier warrants that it is the holder of the intellectual property rights to the Results and, as such, shall hold harmless the Purchaser against all claims from third parties in relation to these rights.

In addition, the Supplier warrants that it holds all the rights transferred to the Purchaser in application of article 12.1.3 of these General Purchasing Conditions.

If the Supplier intends to use "free" or "open source" software that could impact on the use of the Supply and/or the operation of the Results, it must obtain the Purchaser's prior written consent after justifying with documentation the use of such software and indicating in particular the licensing terms and conditions as well as their consequences. In any case, the use of such "free" or "open source" software cannot reduce the warranties provided by the Supplier nor can it limit or exclude the Supplier's liability in the context of the performance of the Orders.

12.3.2 The Supplier shall indemnify and hold harmless the Purchaser against its acts and all the consequences of intellectual property claims from third parties (including but not only its personnel, individuals under its authority, authorized subcontractors etc.) which may be filed against the Purchaser in relation to the use or operation of the Supply. The Supplier undertakes to provide technical support to the Purchaser pursuant to these legal actions and to reimburse any cost – including legal fees, compensations, damages, expenses – incurred to the Purchaser and any fines, which may result from them.

Furthermore, at the option of the Purchaser, the Supplier shall, at its own cost, and without prejudice to the Purchaser's right to seek compensation, either (i) obtain the right to continue using the Supply, or (ii) replace or modify it in order to put an end to the infringement of the

third party rights referred to above, while ensuring the functions provided by the Contractual Documents or (iii) reimburse the Supply.

However, the warranty will be excluded when the third party's claim for infringement is the direct consequence of the use of the Supply in combination with another product without the agreement of the Supplier or on any use thereof which does not comply with the Documentation and the Contractual Documents.

12.4 The obligations set in this article will remain in force after expiry or termination of the Order, notwithstanding the cause of such expiry or termination.

13 – LIABILITY – INSURANCE

13.1 The Supplier is liable for any damage or loss sustained by the Purchaser or any third party as a result of non-performance or improper performance of the Order. Consequently, the Supplier shall indemnify the Purchaser for any loss or damage sustained by the Purchaser, including the cost of repair and/or replacement that would result from any damage or loss to Entrusted (or Bailed) Property. Any assistance the Purchaser may give to the Supplier, for the performance of the Supply or the controls the Purchaser may organize, shall not in any way exempt the Supplier from its liability as regards to the Supply.

13.2 The Supplier undertakes to take out and maintain in effect the necessary insurance policies from reputedly solvent companies and up to an amount commensurate with the risks and liabilities incumbent upon it under ordinary law provisions and its contractual commitments.

In particular, the Supplier shall take out a civil general and professional liability insurance policy or a compliance bail ("*fianza de cumplimiento*"), as applicable, covering the following items for the duration of the Order:

- Its professional activities in general;
- Its activities in the premises of the Purchaser for the missions and works entrusted by the it;
- Damage of any sort caused to third parties;
- Damage caused to goods/items (Entrusted Property) entrusted by the Purchaser, after being handed over by the latter and for as long as the Supplier has it in its possession.

The Supplier shall provide proof, at the Purchaser's first request, of the validity and the contract length of the insurance policies it has hired by producing certificates issued by its insurers, indicating the type and amount of guarantees granted. The Supplier shall annually produce certificates confirming the renewal of its policies for the following period, for as long as its contractual obligations remain in force. In the case of insufficient coverage, the Purchaser shall have the right to require that the Supplier to increase its coverage by providing additional items to it.

It is further stated that when the Entrusted Property by the Purchaser to the Supplier is located at the Supplier's premises, the latter undertakes to hire on behalf of the Purchaser an insurance policy in the nature of a "comprehensive industrial risk insurance policy" or a "comprehensive risk on damage to goods and profit loss insurance policy" covering any

damage to the Entrusted Property by the Supplier, whatever the cause of damage. The Purchaser will be named as an additional insured or beneficiary party in this policy that will come into effect at the signature of the Contractual Documents. Any insurance of the Purchaser shall only be a complement to the guarantee of the insurance policy hired by the Supplier.

Notwithstanding anything to the contrary herein, the amount of the Supplier's insurance policies shall not limit the Supplier's liability vis-à-vis the Purchaser.

14 – COMPLIANCE WITH LABOR REGULATIONS

The Supplier guarantees that it complies with all applicable labor laws in the United Mexican States. It also guarantees that the Supply shall be performed in compliance with the labor laws in force in the countries in which the Supply is manufactured.

The Provider has its own employees, and is responsible for all and any obligations related with or derived from its hiring according with the labor, social security, tax and any other applicable law and regulation in the United Mexican States or in force in the countries in which the Supply is manufactured. Each party will be responsible from their employees. As consequence, the Supplier located in United Mexican States territory shall accomplish with all determined in Appendix 3.

Notwithstanding the above, the Purchaser has the right to inspect, verify and request the Supplier, at any time during the term of the Order, any document that proves the accomplishment with all documents and regulations determined in Appendix 3.

15 – COMPLIANCE OF THE SUPPLY WITH REGULATIONS AND STANDARDS

Throughout the time that the Supplier is performing under the Order, the Supplier guarantees that the Supply will comply with any and all applicable regulations and standards in force in the United Mexican States or the country where the product or service is delivered or rendered to the Purchaser, and in any other country where the Supplier has been informed that the Supply will be used.

Accordingly, the Supplier shall obtain and transfer to Purchaser, as soon as practicable, any and all certificates required by the applicable regulations and relating to the Supply. In addition, the Supplier shall:

- Implement all necessary measures for the establishment of its supply systems of the following minerals:
 - tantalum,
 - tin,
 - tungsten,
 - gold, so as to ensure that they originate from conflict free sources, and

- Provide, when asked, information regarding said supply systems on a platform determined by the Final Customer.

Regardless of where the Supply is produced or rendered, the Supplier also guarantees to the Purchaser that the Supply will comply with applicable legal provisions and regulations to quality requirements and standards, including health, hygiene, safety, traceability of products and protection of the environment.

The Supplier shall provide the Purchaser, no later than the date on which the Supply is delivered, all information in the Supplier's possession to enable the Purchaser's or the Final Client's safe use of the Supply.

The Supplier shall inform the Purchaser of any modification of applicable legal provisions and regulations and standards that affect the conditions in which the Supply is delivered or performed.

16 – SUPPLY'S PERFORMANCE AT THE PURCHASER'S SITE

When the Supply is performed in whole or in part at one of the Purchaser's sites, the Supplier undertakes to comply with the following provisions:

The Supplier will forward in advance a list with the names of the members of its personnel that may need an access to the Purchaser's site; the Purchaser reserves the right to refuse any person access to its site for security reasons. The Supplier will take the necessary measures to ensure that if any persons have to be replaced; this will not have a negative impact on the performance and the quality of the Supplies.

The Supplier shall respect and ensure that its personnel and any subcontractor respect the rules of access to the site and its security requirements, including in relation to information technology (IT), confidentiality rules, as well as the provisions of the internal rules of conduct which apply to all persons within one of the Purchaser's premises as employees of an external company, including hygiene and safety rules and general working conditions.

The Supplier shall, in particular, comply with the provisions of the Mexican Federal Labor Code (Ley Federal del Trabajo). The Parties agree that the prevention plan provided by these provisions shall be implemented before the performance of the Order.

When necessary, the Purchaser will make available to the Supplier premises that will be allocated to enable it to intervene without disrupting the Purchaser's organization. The Supplier will be able to place its equipment there, including in particular computer equipment (PCs, workstations, office furniture, etc.) necessary for the performance of the Supply that is subject of the Order. The disposal of the premises will end once the Order has been performed, or if the Supplier's presence in the Purchaser's premises is no longer justified. The Supplier will retain full and entire ownership and custody of equipment, software and software programs belonging to it that it has occasion to use and/or store at the Purchaser's site.

The Purchaser may also:

- Provide the IT services strictly necessary for the performance of the Order in accordance with procedures and terms and conditions that it will define on a case by case basis, in order to preserve the security of its IT systems; and
- Provide access to its internal messaging system and to a directory for the exchange of data with the Supplier, in accordance with the conditions defined in Appendix 2.

When the Supplier is authorized to access the Purchaser's information system, this authorization is strictly limited to perform the Order. The Supplier shall, in all events, respect the SAFRAN Group's Information System Utilization and Security Charter and all other instructions provided.

Should the Supplier's personnel be present on the Purchaser's site, the Supplier shall appoint a project manager having hierarchical and disciplinary authority over its personnel.

Each member of the Supplier's personnel present at the Purchaser's site must, on request, state its name, the context of its mission, and the name and contact details of the Supplier's project manager.

Upon the completion of the Supply at the Purchaser's site, the Supplier's personnel must:

- Return to the Purchaser's security manager the badges and other means of access that had been giving to them;
- Where applicable, return to the department concerned the words, codes and keys used to access the hardware and software allocated to the latter; and
- More generally, return all information, documents and other items which have been supplied to the latter for the performance of the Order.

17 – SUPPLIER'S PERSONNEL

The Supplier is solely responsible for the administrative, accounting and labor management and supervision of its personnel assigned to the performance of Orders.

The Supplier will expressly retain hierarchical and disciplinary authority over its employees, including during the time when they are present at the Purchaser's site.

The Supplier alone is responsible for the appointment of personnel that it assigns to the performance of the Order. The Supplier certifies that throughout the performance of the Order, the members of its personnel assigned to the task will be competent, qualified and sufficient in number to ensure that the Supply is in conformity with the Contractual Documents.

18 – CONFIDENTIALITY

18.1 For the purpose of the Contractual Documents, "Confidential Information" shall mean such written, oral, graphic or electromagnetic information, including but not limited to technical, scientific, business and other information, data, materials and the like relating to drug or medical devices applications, patent applications, products and proposed products, prototypes, equipment's, components, systems, moulds, know-how, processes, proposed processes, formulations, manufacturing technology, drawings, designs, protocols, contracts,

clinical and pre-clinical data and dossiers, marketing strategies, manufacturing premises and any other confidential and proprietary information, together with analyses, work papers, compilations, comparisons, studies or other documents prepared by the Purchaser (or its partners, directors, employees, representatives, advisors or agents), as well as such information or documents prepared by the Supplier (or its partners, directors, employees, representatives, advisors or agents) containing or reflecting such received Confidential Information.

18.2 The Supplier shall keep confidential all the Confidential Information or any information received from the Purchaser in connection with the Order, as well as all information the Supplier might have access as a result of its presence at the Purchaser's premises or another SAFRAN Group Company, without the Purchaser having to specify or mark such information as confidential. The Results shall be regarded and treated as Confidential Information belonging to the Purchaser.

18.3 Confidential Information shall remain the property of the Purchaser, subject to the rights of third parties. The disclosure of Confidential Information by the Purchaser shall in no event be interpreted as granting or conferring upon the Supplier, expressly or implicitly, any right whatsoever (under a license or by any other means) in respect to this Confidential Information.

18.4 The Supplier undertakes to:

- Use Confidential Information exclusively for the purposes contemplated in the Order;
- Disclose Confidential Information only to those of its employees for whom it may be strictly necessary for the purposes contemplated in the Order and then only a "need to know" basis;
- Not disclose Confidential Information or make it available, either in full or in part, to any third party without the prior written consent of the Purchaser; and
- Ensure that the confidentiality obligations incumbent upon it under the present article "Confidentiality" are complied with by its employees and other persons authorized by the Purchaser to access Confidential Information.

18.4 Nevertheless, the confidentiality obligations shall not apply to any Confidential Information which:

- Is already in, or it had entered the public domain prior to its disclosure or after it, otherwise than through the fault of the Supplier;
- Is or was developed by employees, agents, or consultants of the Supplier independently of and without reference to or use of any Confidential Information of the Purchaser;
- Is already known or available to the Supplier at the date of receipt of Confidential Information, as evidenced by written records of the Supplier; and
- Is lawfully obtained by the Supplier from third parties, with full rights of disclosure, as evidenced by written records of the Supplier.

18.5 Should the Supplier be required to disclose Confidential Information of the Purchaser, pursuant to a mandatory or a judicial or administrative decision, the Supplier shall immediately inform the Purchaser of such request. In addition, the Supplier shall ask the

persons and entities to which the Confidential Information is disclosed to treat it as confidential.

18.6 In the event of termination of the Order for whatever reason, the Supplier undertakes to return Confidential Information immediately to the Purchaser and/or to destroy any medium containing in whole or in part of Confidential Information. The Supplier shall provide a statement certifying the aforementioned complete return or destruction. The return or destruction of Confidential Information shall not release the Supplier from its confidentiality obligations under this article.

18.7 Any and all classified Confidential Information disclosed by the Purchaser shall be identified as such at the time of its disclosure. The protection and use of classified Confidential Information shall be in accordance with the security procedures issued by the authorities concerned.

18.8 The Supplier undertakes not to publish any article or advertisement relating to the Order and/or to the Supply and/or any other information in connection with its business with the Purchaser without the latter's prior written consent.

18.9 Unless otherwise provided for in the Order, the confidentiality obligations provided in this article shall remain in full force and effect throughout the Order's performance and for a period of ten (10) years from the end of the warranty period of the Supply, it being specified, however, that with regards to Results that are the subject of intellectual property rights, the obligation of confidentiality will remain in force throughout the entire duration of performance of the Order and throughout the entire legal duration of protection relating to intellectual property rights.

18.10 If Confidential Information that is the property of a third party is disclosed to the Supplier, any more restrictive confidentiality requirements that may be imposed by this third party will be passed on to the Supplier.

18.11 In order to ensure the security of the Purchaser's Confidential Information and the media containing it, the Supplier will take all necessary measures to ensure its protection, in particular by using computer access controls and encryption of the Confidential Information.

18.12 The Purchaser undertakes to respect the same obligations of confidentiality regarding the information issued by the Supplier and expressly marked as confidential. It is specified that the information to which the Purchaser could have access during visits of the Supplier's premises are considered confidential. These confidentiality obligations are subject to the exceptions of article 18.4 abovementioned (the word "Supplier" being replaced by "Purchaser" in this article).

19 – OFFSET

If, throughout the performance of the Order, the Supplier uses products or services from countries with which the Purchaser has, directly or indirectly, contracted offset obligations, the Supplier shall, at the Purchaser request, use its best efforts to ensure that the value of its Orders can be taken into account by the competent offset authorities within the framework of the Purchaser's obligations mentioned above.

20 – FORCE MAJEURE

Each Party shall inform the other Party immediately, with confirmation by written notice, no later than 05 (five) calendar days after the occurrence of force majeure preventing it from performing its obligations under the Contractual Documents.

The obligations whose performance is rendered impossible by the occurrence of an event of force majeure shall be suspended for the duration of this event, subject to the provisions of the article “Termination”.

The Party invoking force majeure undertakes to take every measure possible to limit the prejudicial consequences of this event for the other Party.

For the application of this clause, only an event meeting simultaneously all the conditions described hereinafter shall be considered an event of force majeure:

- a) This event must be beyond the control of the Party invoking force majeure;
- b) This event could not have been reasonably foreseen when the Order was issued;
- c) The outcome of such event could not have been avoided with appropriate measures;
- d) This event prevents the Party invoking force majeure from performing its obligation;

Including but not limited to acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods, accidents, strikes, failure to obtain export licenses or shortages of transportation, facilities, fuel, energy, labor or materials.

The Supplier shall not be able to invoke delays on the part of its own suppliers or subcontractors unless the cause for these delays may be considered an event of force majeure under this clause.

21 – TRANSFER – ASSIGNMENT – SUBCONTRACTING

21.1 The Purchaser having chosen the Supplier *intuitu personae* and in consideration of its specific abilities, the Supplier undertakes not to transfer or assign all or part of the Order to any third party without the prior written consent of the Purchaser, including in the event of merger, split-up or partial contribution of assets. If such authorization is granted, the assignee or transferee will be considered as the Supplier and, as such, shall be subject to all the conditions contained in the Contractual Documents.

This provision does not prohibit the Supplier from assigning to a third party debts held by the Purchaser.

The Purchaser reserves the right to transfer or assign all or part of the Order to any SAFRAN Group Company, or in the event of merger, split-up or partial contribution of assets, to any third party of its choice, upon written notification to the Supplier. The Supplier grants to the Purchaser the right to such transfer or assignment and agrees that the assignee or transferee is the sole responsible of and liable for the performance of the Order – such liability and responsibility beginning at the notification of transfer or assignment – and that

the Purchaser is consequently released from its contractual obligations arising after the date of such transfer or such assignment.

21.2 The Supplier undertakes not to subcontract all of the Order. Moreover, the Supplier undertakes not to subcontract part of the Order to a third party in any way without the prior written agreement of the Purchaser. When the Supplier is authorized to subcontract, it undertakes to pass on the obligations contained in the Contractual Documents to its subcontractors. The Purchaser may, if necessary, approve in writing the subcontractor's payment terms at the request of the Supplier. Notwithstanding the approval of the Purchaser to the Supplier's subcontracting of the performance of the Order, or to the choice of the subcontractor and its payment terms, the Supplier shall remain solely liable to the Purchaser for the performance of the Supply subcontracted. No default of its subcontractors shall exclude or limit the Supplier's liability.

22 – EXPORT CONTROL

22.1 The Parties agree to comply with export control laws and regulations that are applicable to the Supply (including its components), as well as to the software, information and products that the Parties may exchange within the framework of the performance of an Order.

22.2 Each Party undertakes to inform the other Party of the export control classification concerning the elements hereinabove, and undertakes to notify it of any changes to – or any plans to change – this classification no later than fifteen (15) days after receiving notice of said change.

22.3 If the export or re-export of all or part of the Supply is subject to obtaining an export license, the Supplier undertakes to apply to the competent government authorities, at no cost to the Purchaser, any license or governmental authorization necessary to enable the Purchaser to use the Supply and to deliver such to customers or any other final user specified by the Purchaser to the Supplier. The Supplier undertakes to immediately notify the Purchaser of the issuance of the export license by the competent government authorities or of the existence of a dispensation, and to provide it with a copy of said license or a certificate describing in particular any restrictions applicable to the re-export or re-transfer by the Purchaser of all or part of the Supply to a third party. It is specified that notice by the Supplier to the Purchaser of the classification of all or part of the Supply and the issuance of the export license described hereinabove constitute conditions precedent to the Order coming into force.

22.4 The Supplier undertakes to implement all necessary security measures to prevent the transfer, by any means whatsoever, of information provided by the Purchaser and identified as being subject to applicable laws and regulations on export control to any person not authorized to access such information, by dispensation or by an export license granted by the competent government authorities.

22.5 Should the export license be withdrawn, not renewed or invalidated for reasons attributable to the Supplier, the Purchaser reserves the right to automatically terminate the Order, without prejudice to its right to claim compensation for the damage sustained by this breach.

22.6 Should it fail to meet its export control obligations, the Supplier will be bound to compensate for any damage caused to the Purchaser and its customers in connection with the performance of the Order or the use or operation of all or part of the Supply. Furthermore, the Supplier undertakes to represent and take control of the defense of the Purchaser and/or its customers in the event of any action or legal proceedings taken by competent authorities relating to export control as well as all consequences, including fees, expenses and damages that may be incurred by them.

23 – ETHICS

The Supplier declares that:

- It has not infringed any anti-corruption laws or regulations,
- It has not been subject to any civil or criminal sanctions, in the United Mexican States or abroad, 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,
- To the best of its knowledge, no executive or manager of its company has been subject to any civil or criminal sanctions, in the United Mexican States or abroad, 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.

The Supplier warrants that:

- It complies and shall comply with the legal provisions against corruption in accordance with the OECD Convention of 1997 and the United Nations Convention Against Corruption of 2003 (UNCAC), and the General Law of the Anticorruption National System (Ley General Del Sistema Nacional Anticorrupción);
- 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 the Order.
- The Supplier shall notify the Purchaser'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 Purchaser or of any SAFRAN Group Company or to anyone that might influence their decision within the framework of the performance of the Order.
- In the event of failure to comply with this clause, the Purchaser shall automatically have the right to terminate the Orders in progress or the applicable Contractual Document with immediate effect and without compensation, and without prejudice to any other remedies the Purchaser may request from the Supplier.–

24 – TERMINATION

24.1 Either Party shall be entitled to terminate the applicable Contractual Document (provided not specific provisions were established in such Documents) as of right by registered letter with acknowledgement of receipt in the following cases:

- When the other Party fails to perform any of its contractual obligations and does not cure such breach within 30 (thirty) days from receipt of formal notice thereof sent by registered letter with acknowledgement of receipt;
- When the other Party becomes the subject of judicial protection, receivership or liquidation, subject to public policy provisions;
- When the other Party did not perform its obligations because of a force majeure event (i) the duration of which exceeds one month from the date of notification to such other Party thereof, or (ii) causing a delay justifying the termination of the applicable Contractual Document, or (iii) permanently preventing the performance of the applicable Contractual Document;
- When provided by law or any regulation in force.

24.2 In addition, the Purchaser shall be entitled to terminate the applicable Contractual Document (provided not specific provisions were established in such Documents) as of right by registered letter with acknowledgement of receipt sent to the Supplier, in the following cases:

- With immediate effect and without prior judicial or any other notice when the Supplier fails to comply with any of its obligations set forth in articles 14 (“Compliance with Labor Regulations”), 22 (“Export Control”) and/or 23 (“Ethics”) of this General Purchasing Conditions and more generally in case of any breach by the Supplier of any of its contractual obligations which cannot be remedied;
- After a prior formal notice sent by registered letter with acknowledgement of receipt and which has remained unheeded for 30 (thirty) days if the Supplier did not deliver to the Purchaser the insurance certificates as required by article 13.2;
- Subject to a 30 (thirty) days’ written notice when one of the Purchaser’s competitors or a competitor of any other SAFRAN Group Company acquires the control of the Supplier’s capital;
- Subject to a thirty (30) days’ written notice, in the event of a major change in the industrial organization of the Supplier that could jeopardize the proper performance of the applicable Contractual Document (e.g. transfer of production).

24.3 In the event of termination of the applicable Contractual Document by the Purchaser for default attributable to the Supplier, the Purchaser reserves the right to perform or have a third party perform all or part of the applicable Contractual Document at the expense of the Supplier. In this respect, the Supplier undertakes, at the request of the Purchaser, to provide the latter or any third party designated by the Purchaser with all the elements necessary to perform the Supply.

24.4 Upon the expiration of the applicable Contractual Document, or following its termination for any reason whatsoever, the Supplier shall return, within 8 (eight) days and at its cost, to the Purchaser the Entrusted Property and any Documentation which has not yet been provided.

24.5 In all the cases of termination notwithstanding the reasons, each Party shall still be required to comply with all its contractual obligations until the effective date of termination, without prejudice to any damage that the non-defaulting Party may be able to claim as compensation for the damage incurred as a result of the non-performance by the defaulting Party of its obligations set forth in the Contractual Documents.

Furthermore, if the Supplier is the Purchaser's sole source, the Purchaser may postpone the date of termination until an alternative source of supply has been implemented, in which case the Supplier undertakes to maintain the performance of the applicable Contractual Document in accordance with the contractual terms and conditions.

25 – MISCELLANEOUS

- (i) The particularly sensitive nature of the Purchaser's business activities may result in specific requirements regarding security. As a result, the Supplier may be required, before the start of the performance of the Order, to sign either a confidentiality agreement, or agreements relating to the custody of classified and secret information.
- (ii) Neither Party's failure to exercise or delay in exercising any of its rights with respect to the Contractual Documents shall be construed or be deemed a waiver of any such rights.
- (iii) If any term or provision of the Contract Documents' shall to any extent be invalid, illegal or unenforceable, the remainder of the Contract Documents' shall not be affected thereby, and each other term and provision of the Contract Documents' shall be valid and be enforced to the fullest extent permitted by law. The Parties shall replace any such invalid, illegal or unenforceable provision, which most nearly conforms to their original intent.
- (iv) Supplier's relationship with Purchaser during the term of the Contractual Documents will be that of an independent contractor and will not be construed to be one of employment, partnership, joint venture, agency or similar relationship. Supplier will not have, and will not represent that it has, any power, right or authority to bind the Purchaser, or to assume or create any obligation or responsibility, express or implied, on behalf of the Purchaser or in the Purchaser' name, except as herein expressly provided.. No provision of the Contractual Documents may be construed as creating an agent/principal, parent/subsidiary or employer/employee relationship between the Supplier and the Purchaser.

26 – APPLICABLE LAW – JURISDICTION

The validity, interpretation, enforceability and effect of this Contractual Document shall be governed by the laws of the United Mexican States.

By express agreement between the Parties, the Contractual Documents, and all claims, disputes, controversies or causes of action (whether at law, in contract or in tort) that may be based upon, arise out of, or relate to the Contractual Documents or the negotiation, execution or performance thereof, shall be governed by and construed in accordance with the laws of the United Mexican States expressly excluding that body of law known as conflicts of laws. The parties specifically disclaim the Vienna Convention on the International Sale of Goods.

EACH OF THE PARTIES HERETO IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY COURT OF THE CITY OF MEXICO, WHICH SHALL BE THE EXCLUSIVE FORUM FOR THE PARTIES WITH REGARD TO ANY MATER, CONTROVERSY, OR DISPUTE BETWEEN THEM WHICH ARISES OUT OF OR RELATES TO THIS AGREEMENT, AND EACH PARTY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS FOR ANY ACTION INVOLVING SUCH A MATTER.



In no circumstances, shall this prevent a Party from obtaining injunctive relief before a competent jurisdiction. However, the Parties may by mutual agreement decide to have recourse to mediation, before going to court.

NAME OF THE SUPPLIER:
NAME OF THE SIGNATORY:
TITLE:
DATE
SIGNATURE:
SUPPLIER STAMP:

APPENDIX 1 FIRST DEMAND GUARANTEE

As part of order [N°] (hereafter the “Order”), placed onbetween (name of Supplier, address, trade and companies register) and (name of the Purchaser, address, trade and companies register) for (detail of the Order) for an amount of

The undersigned
[FIRST RATE MEXICAN BANK]
[FORM]

With a capital of [TO BE COMPLETED], having its registered office at [TO BE COMPLETED], registered at the Trade and Companies Register of [TO BE COMPLETED] under number [TO BE COMPLETED] represented by [TO BE COMPLETED], acting as [TO BE COMPLETED], duly empowered for the purposes hereof
Hereinafter referred to as the “Guarantor”

Hereby undertakes, irrevocably and unconditionally, on instructions by and on behalf of:

[SUPPLIER]
[FORM]

With a capital of [TO BE COMPLETED], having its registered office at [TO BE COMPLETED], registered at the Trade and Companies Register of [TO BE COMPLETED] under number [TO BE COMPLETED]

To pay:
[PURCHASER]
[FORM]

With a capital of [TO BE COMPLETED], having its registered office at [TO BE COMPLETED], registered at the Trade and Companies Register of [TO BE COMPLETED] under number [TO BE COMPLETED],
Hereinafter referred to as the “Beneficiary”,

On first demand by the Beneficiary and immediately any amount up to [TO BE COMPLETED IN NUMBERS AND IN LETTERS] Euros, without being able to claim any exception or objection in particular with respect to any contestation or claim by [SUPPLIER] in relation to the Order.

This guarantee is independent of any contract between [SUPPLIER] and the Beneficiary. Consequently, the modification or cessation of the legal links or relations which may exist between [SUPPLIER] and the Beneficiary does not release the Guarantor from its obligations hereunder. All the provisions of this guarantee shall remain in force irrespective of any changes in the financial and/or legal situation of [SUPPLIER] or Beneficiary.

This guarantee comes into force on [TO BE COMPLETED] and expires on [TO BE COMPLETED], unless extended subject to a request submitted by the Beneficiary to the Guarantor.

Any request for an extension must be made directly by the Beneficiary to the Guarantor and must be granted immediately by the Guarantor, subject to proof of prior notification to

[SUPPLIER], and notwithstanding any order to the contrary by *[SUPPLIER]*. However, this extension may not exceed a maximum period of ...months.

This guarantee is in addition to and not as a replacement for any other right that the Beneficiary may claim against *[SUPPLIER]* and must be executed on first demand by the Beneficiary by means of registered letter with acknowledgement of receipt sent to the address of the Guarantor as indicated at the head of this guarantee, indicating that *[SUPPLIER]* has not respected its obligations towards the Beneficiary, and without any intervention by *[SUPPLIER]* or any prior procedure or action against *[SUPPLIER]* being necessary.

All the costs of this guarantee and any subsequent related deeds shall be borne by *[SUPPLIER]*.

In the event of any dispute in relation to this guarantee, exclusive competence is attributed to the Commercial Court of Mexico City. The validity, interpretation and execution of this guarantee are governed by French law.

Executed in, on.....

Title:
[BANK]

APPENDIX 2. ELECTRONIC DATA INTERCHANGE (EDI)

The purpose of this Appendix is to fix the conditions in which the Purchaser and the Supplier will carry out electronic data interchange (EDI) by means of networks, within the framework of the execution of the Orders.

A) Definitions.

Electronic data interchange (EDI): electronic transfer via a network, from one computer to another, of data in the form of an EDI message.

EDI Message: series of structured segments presented in a form that can be unequivocally read by a computer.

Acknowledgement of receipt: message issued by the recipient of an EDI message acknowledging receipt of the message and its legibility.

B) Nature of the information exchanged.

The information which may be exchanged by EDI is defined in the Orders.

Any other information must be exchanged only in paper format unless there is specific, written agreement between the Parties to include it within the field of this Appendix.

C) Validity and taking into account the EDI content

The exchange of information via EDI is carried out at the time and place that the EDI message is placed at the disposal of the recipient's information system in a complete and legible way.

On receipt of information transmitted by EDI by the recipient's computer, the latter issues an acknowledgement of receipt to the issuer. The recipient is then reputed to have correctly received the information given unless the recipient informs the other Party of a problem in reading or interpreting the data transmitted. Notification of this may be sent by any means.

On no account is the recipient authorized to modify the message received. Any modification must be made by the issuing Party with specific reference to the modification made. Only messages issued by an authorized issuer with the agreed electronic signature are taken into account by the recipient.

D) Registration and conservation of EDI Messages.

The Parties must keep all the EDI messages exchanged, taking all the necessary security measures at their disposal to guarantee their inalterability. In this respect, the Parties undertake to respect a certain number of control procedures such as the conservation of the information sent by EDI in its original form and in chronological order of sending.

The Parties must ensure that the information exchanged by EDI is kept by electronic or computer journals listing all exchanges sent and received and that it is easily accessible. In addition, the Parties must ensure that this information can be reproduced in legible form by man and be printed if necessary in order to constitute, as far as possible, a true and lasting copy of the original.

E) Admissibility and probative value of the EDI Messages.

Each Party agrees that the EDI messages exchanged on the basis of this Appendix and in conformity with the provisions hereunder have a probative value equivalent to that of a document in paper format.

As such, the Parties waive the right to contest the authenticity of the information exchanged or oppose the information on the sole basis that the information was exchanged by EDI.

The Parties undertake to accept that, in the event of a dispute, the registrations made of information exchanged by EDI may be produced before the courts or arbitration panels as proof of the facts that they contain, up until proof to the contrary provided in a non-contestable format.

F) Security of EDI Messages.

The Parties undertake to set up and maintain security measures and procedures to ensure the protection of the EDI messages against risks of unauthorized access, modification, lateness, destruction or loss.

The security procedures and measure include verification of the origin and verification of the integrity. All information exchanged by EDI must identify the sender and the recipient.

As such, each of the Parties undertakes to submit to the other party a list of the persons authorized by it to send information by EDI, updating this list each time it is necessary and indicating the applicable electronic signatures.

If the security procedures and measure lead to the rejection of an EDI message or the detection of an error in the message, the recipient must inform the sender of this as soon as possible.

The recipient of an EDI message which has been refused or which contains an error cannot act on the message without authorization from the sender. When a refused or erroneous message is retransmitted by the sender, the message must clearly indicate that it is a corrected message.

In addition, the Parties undertake to set up and maintain the operational environment necessary for EDI operations. As such, the Parties must supply and ensure maintenance for the hardware, software and the services necessary to transmit, receive, translate and conserve EDI messages.

G) Confidentiality.

The Parties must ensure that the information contained in the EDI messages remains confidential and is not disclosed or retransmitted to any other parties who are not authorized to receive it. They must also ensure that it is not used for any purpose other than the execution of the Orders.

APPENDIX 3.

LABOR RELATION. It is expressly agreed that the Supplier is and shall be at all times, the sole employer of the personnel it supplies to the Purchaser for execution of the Order, and therefore, liable for all the obligations arising from the labor relationship with this personnel pursuant to the Federal Labor Law, and the Social Security Institute Law in force, and will be the sole responsible to supervise, coordinate and direct the employees hired to execute the Order.

The Supplier shall comply and is the sole responsible of all the labor, social security, environmental and tax obligations that it may have as employer of the personnel it hired or that may hire for the execution of the Order therefore, each and every obligation and responsibility that due to any reason may exist or arise with the employees involved in the execution of the Order agreed pursuant to this Agreement, shall be on the Supplier.

The Supplier shall be the sole responsible of the obligations that the law sets forth upon it as employer of the individuals it uses for the performance of the Order and binds itself to be respond for all individual or collective claims that its employees or workers, as well as any and all claim, trials, procedures and/or fines that any authority may claim or impute to the Purchaser, that may filed against it due to the breach of the labor, social security, environmental or tax obligations of the Supplier, binding to indemnify, keep safe and harmless the Purchaser from any and all claims that it may face and shall reimburse immediately any legal expense or any other expense that the Purchaser may have had to pay for such a reason.

The Supplier binds itself to comply with all the labor obligations with its personnel and in the case of noncompliance, to indemnify them in terms established by the laws and regulations in force.

The Supplier fully agrees that in any labor conflict it may have with its personnel, shall not affect in any manner whatsoever the premises, operations and assets in general of the Purchaser, in any and all cases it shall affect the domicile of the Supplier, therefore the latter shall execute all the agreements, covenants and negotiations necessary with the personnel, the union, and the union centrals to which they are affiliated and with any official entity that may be involved.

In the case of any claim from third parties arising from the activities subject matter of this Agreement against the Purchaser, the latter shall be notified immediately by the Supplier, the Purchaser shall instruct the Supplier on the best manner to proceed to the defense of the Purchaser's rights, being the Supplier responsible for the payment of all the costs and expenses in which it incurs for this situation; in addition, the Supplier binds itself to act promptly and diligently to foresee or resolve any problem that may arise.

LABOR OBLIGATIONS. Supplier expressly binds itself, in addition to the other obligations set forth in this document, to:

a) Execute with each and every employee you supply for the Services, an Individual Labor Agreement, in which it is duly established that you are the sole employer and responsible for the labor relationship.

b) That the Individual Labor Agreements referred to above, comply with all requirements and formalities set forth in Articles 24 and 25 of the Mexican Federal Labor Law (Ley Federal del Trabajo), clearly setting forth that the benefits to be granted to the workers are your responsibility.

c) Enroll each and every employee to be submitted for the Works before the IMSS, INFONAVIT, INFONACOT.

d) Carry out withholdings and payments corresponding to: Income Tax as provided the United Mexican States Income Tax Law, IMSS, INFONAVIT, INFONACOT, and deposits to SAR as well as any other tax applicable provisions.

e) Have and demonstrate to Purchaser that it has proper and sufficient elements to comply with the obligations that arise from the relationship with its employees, considering it employees those who are submitted for the Works or used to comply with any Purchase Order, complying with what is set forth in Article 13 of the Federal Labor Law.

f) In a periodic manner shall prove to Purchaser, at least each 90 (ninety) calendar days, through the presentation of the corresponding documents, the accomplishment of all its obligations determined in this Clause as well as all obligations in security, health and work environmental matters in regard to the personnel that executes each Order.

g) Supplier shall notify the Social Security Ministry, to the office that corresponds to their domicile, using the formats provided by such Ministry during the first fifteen labor days of the following quarter after this agreement is executed, in relation to this Agreement the following information:

- Form the parties of the Agreement: Name, denomination or corporate name; type of corporation, in its case, corporate purpose, corporate domicile, fiscal domicile and, in its case, another domicile for the purposes of this agreement; Tax ID and Employer ID before the IMSS; data of the Incorporation Deed, such as Public Deed number, date, name of the Notary Public who granted it, number of the Notary, and its city, mercantile folium and date of inscription before the Public Registry, name of the legal representatives who execute this agreement.

- From the Agreement: Purpose, term, positions and functions required indicating if the personnel will be administrative, operating or professional, and the estimate number of personnel that will be provided to Purchaser.

LABOR RESPONSIBILITY. It is hereby expressly agreed that in the case that the Purchaser is sued before the labor authorities by personnel submitted by the Supplier due to any cause, and alleging that the Purchaser is the employer, joint employer, substitute employer or else is sued in individual cases or any other administrative procedure of labor nature, the Supplier binds itself to keep the Purchaser's rights safe and unharmed from these procedures, with the support of specialized attorney counsel and to bear their fees, as well as the matter of the claim if necessary.

What is set forth in this clause is hereby made extensive with respect to any other legal liability before the IMSS, INFONAVIT and INFONACOT or of tax nature, with charge upon the Supplier and arising from the labor relationship with the personnel furnished to the Purchaser. In order to make this Clause effective, the Purchaser binds itself to notify in

writing and immediately to the Supplier of the judicial or any other notice directed to the Supplier that it may discover with regard to any procedure related with the above indicated claims, in order for the Supplier to file the best possible defense, likewise it binds itself grant the legal counsel as appointed by the Supplier a proxy letter together with a certified copy of the Public Deed of whoever grants it, so that the legal counsel may appear in defense of the Purchaser.

In the case that the Purchaser chooses to have its own legal counsel to appear in its defense, it shall notify in writing the Supplier and the Supplier will not be responsible for the consequences of the acts of lack of acting of said legal counsel, it will also be relieved from the obligation to bear the fees that such legal counsel may generate.

The provisions set forth in the paragraph above; do not restrain the legal counsel of the Purchaser to request in writing to the legal counsel of the Supplier detailed reports of the development of the matters as well the strategies to follow for the best resolution of the same.

STANDARD LETTER

FOR A SUPPLIER LOCATED IN THE UNITED MEXICAN STATES TERRITORY

"COMPANY XXX" SAFRAN GROUP

To the attention of

XXX, represented by Mr.,(title), duly authorized, recognizes that the labor that is performed by employees of XXX, is subjected to the applicable legal and statutory provisions of the Mexican Federal Labor Law (Ley Federal del Trabajo), the Social Security Law (Ley del Seguro Social) and the applicable Tax Law.

Accordingly, XXX, represented by Mr. ..., duly authorized, hereby testifies that labor entrusted according with the Contractual Documents is completed by persons employed on a regular basis and is in compliance with the Mexican Federal Labor Law (Ley Federal del Trabajo), the Social Security (Ley del Seguro Social) and the applicable Tax Law and agrees to provide to the Purchaser the following documents:

- *Individual or Collective Labor Agreement executed with all Supplier's employees that will be working under the Contractual Documents.*
- *A certificate of the inscription of the Supplier before the IMSS (Mexican Social Security Institute).*
- *Certificate of lawful compliance issued by the IMSS (Mexican Social Security Institute).*
- *Certificate of compliance with INFONAVIT (National Institute for the Fund of Workers Housing).*
- *Certificate of lawful compliance with Tax Authorities.*
- *Incorporation Deed of the Supplier, including its corporate name, corporate domicile, and the inscription before the Public Registry of Commerce.*

XXX undertakes to renew this representation and appended documents every six months during the term and validity of the Contractual Documents.

Date:

Signature: