

**GENERAL TERMS AND CONDITIONS OF SALE**

**1. General.** These terms and conditions of sale define the respective rights and obligations of the parties in their contractual relations and shall be applicable to any (i) published price catalogue which these terms and conditions are attached to, or (ii) official written commercial offer made by Safran Aerosystems or any of its affiliated companies (the “**Seller**”) pursuant to the provisions of Article 2 herein (the “**Offer**”), to its customer (the “**Customer**”), for the development and/or purchase of the products and/or services which are offered for sale by the Seller (the “**Products**”). These terms and conditions are communicated to any customer upon request. Pursuant to applicable regulations, the Seller may accept derogations from certain provisions herein as a result of negotiations with the Customer, under specific terms of sale defined in a separate document signed by the parties. In particular, specific terms of sale defined in any product support conditions agreed between the Customer and the Seller – including CSS (as defined in Article 17 hereinafter) - or between CSS and any Customer and/or end user of the Products, shall prevail over these general terms and conditions. These terms and conditions shall apply to any sale made by the Seller, and therefore any sale entails Customer’s full and unrestricted acceptance of these terms and conditions which **shall prevail on any other Customer’s document, and in particular on its purchasing terms and conditions**, unless the prior written agreement of the parties. In case of ambiguity, inconsistency or contradiction between the terms of the Offer, of the order and of any reservation by the Seller and/or the Customer, the Seller and the Customer shall negotiate and reach an explicit written agreement on a timescale compatible with the Offer’s purpose.

**2. Offer.** The Seller shall be bound only by a firm Offer made on letter-headed paper, submitted by a person duly authorized to submit Offers on behalf and in the name of the Seller. The Offer shall be valid for a period expressly mentioned on it. In case nothing is mentioned in the Offer, the Offer shall be valid for a three (3) month period. Any new request or requirement made by the Customer, in particular with regards to quotations for additional products or changes in the delivery times or conditions, shall give rise to a new commercial offer, distinct from the Offer, in particular regarding pricing and timing.

**3. Order.** Sales are concluded only upon express written acceptance of Customer’s order by the Seller (the order shall refer to the Offer on the basis of which the order is placed, as the case may be) and, by mutual agreement of the parties on any additional specific provisions, as the case may be; the applicable contractual documents shall be together referred to as the “**Contract**”. No total or partial cancellation or termination of an order by the Customer shall be accepted without the Seller’s prior written consent. In case of cancellation or termination, whether or not with Seller’s prior written consent, the Customer shall pay to the Seller the price of the Products which manufacturing has started, as well as all the costs incurred by the Seller for the purchase of components, sub-assemblies and/or raw materials for the said order. Any down payment made by the Customer shall be definitively retained by the Seller. In the case where the Customer places an order with the Seller without having fully paid previous order(s), the Seller may refuse the order and to deliver the concerned goods, without any indemnity due to the Customer on any grounds.

**4. Delivery, delivery time, title and risk of loss.** Products shall be delivered to the Customer Free Carrier Seller’s facility (« FCA – Free Carrier » ICC Incoterms® 2020). The delivery time runs from the acceptance of the order by the Seller without any reservation, or as the case may be, from the agreement between Seller and Customer on the terms of the Contract, provided that all conditions set forth by the parties are met, in particular and without limitation with regards to down payment, agreement on specific technical conditions or any authorization by a third party. The delivery time is given only for information and guidance; the Seller may not be held liable for any delay, including in case of force majeure, and delays in delivery may neither give rise to any penalty, indemnity or damages, nor justify any total or partial cancellation or termination of the order. The Seller may make any partial or early delivery that it deems useful, provided that the Customer is informed of such delivery. The Customer shall inform the Seller in due time of any event likely to impact negatively the proper performance of the Contract. If the Customer has not fulfilled its obligations in due time (in particular with regards to late payment, failure to provide information or access to materials or equipment), Seller’s delivery lead time shall be automatically extended by a period at least equal to the Customer’s delay, while the Customer shall remain solely liable for all the consequences of such delay, whether borne by the Seller or by any third party. No Product may be returned, except with the Seller’s prior written authorization and compliance of the Customer with the Seller’s instructions; any non-authorized return will be at the Customer’s risk and cost, including storage fees. The transfer of risk of loss of or damage to the Products shall occur upon delivery to the Customer. However, the Seller retains title rights of the Products, until full payment of the price by the Customer, regardless of the delivery date; therefore the Seller shall be allowed to repossess the said Products regardless of who holds them and in case they have been resold, consumed, processed, combined or mixed with other goods. Consequently, the Customer shall insure the Products by an *ad hoc* insurance until complete transfer of title, and proof of that insurance shall be given to the Seller upon delivery. If not, the Seller shall have the right – amongst others - to delay delivery until such proof is presented.

**5. Acceptance of Products.** Every Product shall be examined before delivery by the Seller. Upon delivery, the Customer shall verify the conformity of the Products in quantity and quality. In case of damage to the delivered goods or in case of missing goods, it is the Customer’s responsibility to make all necessary reservations to the carrier within a three (3) calendar day time period from the delivery of the Products, and to inform the Seller of such reservations. In case of apparent defects attributable exclusively to the Seller, the defective parts shall be – at the option of the Seller – repaired or replaced, subject to verification and confirmation by the Seller of the alleged defects. The Customer shall give any justification as to the reality of the defects found, and the Seller shall have the right to make any observation or verification on site, directly or indirectly. If no reservations are expressly made in writing within the abovementioned timeframe, the Products shall be deemed to be in conformity and accepted without reservation by the Customer. No further claim shall be accepted in relation to these Products without prejudice to Customer’s rights under Article 7 below. The technical characteristics of the Products shall be as specified by the Seller in the Contract. Subject to compliance with the Seller’s commitments under the Contract, the Seller shall have the right to make any modification to these technical characteristics without prior information of the Customer, and no subsequent evolution or modification of these characteristics may give the right to the Customer to request a modification of all or part of the sold Products. Any claim made by Customer as per the above provisions shall not relieve the Customer from its obligation to pay for the Products.

**6. Prices, invoicing and payment.** The prices mentioned in the Contract are firm and non-revisable, net and exclusive of tax. Unless otherwise expressly agreed in writing by the Seller, they are based on a "Free Carrier " delivery, including standard commercial packaging, and therefore do not include transport, insurance, customs costs and specific packaging, which are in addition, at the expense and risk of the Customer. In the absence of specific payment terms negotiated with the Customer, the Seller shall send the invoice in duplicate to the Customer, who shall pay it within thirty (30) days of its issue date, by bank transfer, to the account which details are indicated by the Seller. In the event of late payment of amounts due by the Customer, and without prejudice to any other action that the Seller may bring against the Customer in this respect, (i) any down payment made to the Seller shall automatically and definitively owned by the Seller, (ii) the Seller shall automatically receive late payment interests calculated, per day of delay, at a rate of twelve percent (12%) per year, (iii) upon notification of Seller, the Seller shall be entitled to unilaterally modify the applicable payment terms of any remaining delivery to shipment upon prior receipt the full payment of the remaining Products, (iv) the Seller shall automatically receive in addition an indemnity for recovery costs as per applicable laws, if any and may request additional compensation from the Customer if the recovery costs actually incurred exceed this amount, and (iv) the Seller may claim immediate re-delivery, at no costs for Seller, of Products on which it retains title as per Article 4 above. The Seller also reserves the right to suspend or cancel the delivery of all or part of the order, or of another order that is contractually or economically linked to the order which payment is late, as well as to reduce or cancel any discounts granted to the Customer and/or to submit the acceptance of any further order to the set-up of a "cash-in-advance" payment term, before shipment of the Products. Early payment of the price shall not give right to reduction in price or rebate.

**7. Warranty.** The Products are delivered with a twelve (12) months contractual warranty from the date of delivery, covering the non-conformity of the Products with the Contract attributable to the Seller, and any hidden defects resulting from a defect in material or manufacturing affecting the delivered Products and rendering them unfit for use. The warranty forms an integral part of the Product sold by the Seller which may not be sold or resold if altered, transformed or modified. This warranty is limited, at the Seller's option, to the repair, replacement or refund of non-conforming or defective Products, to the exclusion of any other good or non-defective part of the Products or any cost or activity related to the replacement of Products ("retrofit"), and this without the Customer being entitled to claim damages on any grounds. This contractual warranty is excluded in case of (i) misuse, abnormal use or non-compliance with any instructions of the Seller, the original equipment manufacturer, airworthiness directive, service bulletin or any other relevant documentation, negligence or lack of maintenance or repair by the Customer, as well as (ii) in case of normal wear and tear of the Products or consumables parts, whenever all or part of the Product can be adversely affected by exposure to heat, sun, water, ozone or other deterioration elements, (iii) force majeure, (iv) any removal of the original equipment manufacturer trademark, name, part number or serial number on any Product, or in case of (v) modification or repair without the Seller's approval, or (vi) defects and deteriorations resulting from abnormal transportation, installation, operation, handling, storage and/or conservation conditions, foreign object damage, in particular in the event of an accident of any nature, or (vii) when the malfunction, premature wear, defect or failure is caused by any alternative parts to the original equipment manufacturer part such as Parts Manufacturer Approval (PMA) parts, if it is demonstrated that the malfunction, premature wear, defect or failure has been caused by the PMA part. All these exclusions are collectively referred to as "Non Attributable Events". In order to be covered by the warranty, the Customer shall inform the Seller in writing of the existence of the defects within a maximum period of ten (10) working days from their discovery, including documented evidence on the circumstances and nature of the defect. The repaired or replacement Product will only be warranted for the remaining duration of the original warranty. THE WARRANTY MENTIONED IN THESE TERMS AND CONDITIONS IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESSED OR IMPLIED BY APPLICABLE LAW, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**8. Liability.** The Seller is only responsible for the Products it supplies to the Customer. The Seller shall not be liable for (i) anything provided or made available by the Customer or by a third party imposed by the Customer or anything that the Seller could not freely select in accordance with the Seller's selection and validation procedures, in particular with regards to any material, documentation, information, specification or equipment or subassembly, (ii) any direct or indirect consequences, for the Customer or any third party, of any malfunctions of anything that was provided or made available to the Seller per (i) above. The Customer shall be solely liable and shall indemnify and hold the Seller harmless from any damage, costs and expenses suffered by the Customer or by the Seller as a result of what the Customer, or any third parties imposed or recommended by the Customer, have imposed, recommended, provided or made available to the Seller. THE TOTAL AND CUMULATIVE LIABILITY OF THE SELLER ARISING OUT OF OR IN CONNECTION WITH THE ORDER, FOR ANY REASON, SHALL IN NO EVENT EXCEED THE AMOUNT OF FIFTY PERCENT (50%) OF THE TOTAL PRICE OF THE CONTRACT AND THIS SHALL CONSTITUTE THE SOLE REMEDY AGAINST THE SELLER. THE SELLER SHALL BE SOLELY LIABLE FOR DIRECT DULY JUSTIFIED DAMAGES AND COSTS RESULTING FROM A BREACH OF ITS OBLIGATIONS UNDER THE ORDER AND IN PROPORTION TO ITS DULY PROVEN LIABILITY. IN ADDITION, IN NO EVENT SHALL THE SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES RESULTING FROM THE ORDER OR CONTRACT, INCLUDING, WITHOUT LIMITATION, ANY LOSS OF PROFIT, LOSS OF OPPORTUNITY OR LOSS OF CONTRACTS, LOSS OF REVENUE, LOSS OF CUSTOMERS, DAMAGE TO REPUTATION OR PUBLIC IMAGE OR COSTS OF PURCHASING AND/OR RETROFIT OF SUBSTITUTE OR REPLACEMENT PRODUCTS, WHETHER OR NOT SUCH LOSS OR DAMAGE WAS MADE KNOWN TO SELLER.

**9. Confidentiality and property of information.** The information, in particular that contained in the Offer, is disclosed to the Customer notwithstanding its confidential nature, which the Customer is hereby deemed to know and accept. Therefore, the Customer shall (i) ensure in an appropriate manner the confidentiality of the disclosed information, in order to prevent any disclosure to any third party, (ii) take all appropriate measures to ensure that such information is used only for the performance of the Contract (the "Purpose"), (iii) disclose the information only to the Customer's staff members who have a real need to know it in consideration of the Purpose (the "Staff"), and (iv) ensure that the Staff are fully informed that the information received must be treated in a confidential manner. This obligation shall apply to the Customer during the period of validity of the Contract and for a period of ten (10) years from its expiry. All information (including in particular documents, plans, descriptions, memos) provided by the Seller in the Offer or for the performance of the Contract shall remain the sole property of the Seller, which shall grant to the Customer only a non-exclusive license to use it within the limited framework of the Contract. The Customer may not use the information for any purpose other than the Contract, in particular to manufacture, have manufactured, copy or reproduce all or part of the Seller's Products or know-how. The Customer shall destroy or return the information to the Seller upon written request.

**10. Termination.** In the event of a breach by the Customer of any of its obligations under the Contract, which is not remedied within thirty (30) days of the occurrence of such breach, the Seller may terminate all or part of the Contract automatically and without formality, without prejudice to any subsequent claim for damages against the Customer.

**11. Intellectual property.** The Seller shall keep all intellectual and industrial property rights related to the Products, photos and technical documentations which cannot be either communicated or used without the Seller's written consent. The purchase of Products, designs, studies or services by the Customer shall not in any way grant the Customer any right of reproduction, of all or part of any Products, nor of the exploitation of any industrial or intellectual property rights attached thereto.

**12. Compliance with laws and ethics** The Customer undertakes to perform its activities under all circumstances by strictly complying with the laws, rules and regulations of all natures that are applicable in the country of the Seller or in the country of domicile of the Customer. The Customer expressly undertakes to abide by and adhere without reservations to (i) the SAFRAN Group's ethical guidelines, (ii) the SAFRAN Group's compliance principles, (iii) the legal provisions against corruption in accordance with the OECD Anti-Bribery Convention of 1997 and the United Nations Convention against Corruption (UNCAC) of 2003, the French law "Sapin II", the United Kingdom Bribery Act 2010 and the United States 1977 Foreign Corrupt Practices Act, and (iv) the Common Industry Standards (CIS) of the Aerospace and Defense Industries Association of Europe (ASD) to which the Seller has subscribed. Furthermore, the Customer certifies that no direct or indirect payment has been promised, done or shall be done, either directly by the Customer or indirectly through a third party, on its own behalf, on behalf of its seller or of the Seller, to any person of public authority, in charge of a public service or invested with an elected public office, to any political party or candidate to an elected office, or to any seller or person, including all employees, officers, directors or representatives of the Customer or the Seller, if such payments serve to obtain from these persons that they accomplish or refrain from accomplishing an act, in violation of the laws applicable in the country of domicile of the Customer or of the Seller, or in violation of any other applicable law or regulation. It is understood that no payment shall be made with the intention or the effect of public or private corruption. The Customer shall report to the Seller without delay any requests for bribes from any officials or individuals in the any territory or otherwise regarding or related to the Products. The Customer expressly authorizes the Seller to audit and/or to appoint an external Seller in order to audit its activities and expenditures once a year for the sole purpose of verifying the Customer's compliance with the provisions of this Article. The Customer hereby commits to make available to the Seller and/or to the external auditors its business documents, in particular its accounting documents. The Customer will indemnify, defend and hold harmless the Seller from any claim, loss, damage, liability, expense and cost of any nature arising from, or connected to the Customer's failure to comply with the provisions of this Article. The breach of any of the provisions of this Article or of any applicable anti-bribery law is an irremediable breach to a substantial obligation which may result in immediate termination of all of part of the Contract, without prejudice to any other right, relief or remedy available to the Seller.

**13. Export Control Compliance.** The Customer and the Seller acknowledge that the Products may be subject to export control laws and regulations and sanctions regimes (the "Export Control Laws"). Export Control Laws, include without limitation (i) the international sanctions from the United Nations Security Council, (ii) the Arms Export Control Act of 1976 (22 U.S.C. Chapter 39) and the International Traffic in Arms Regulations (22 C.F.R. §§120-130) enforced by the U.S. Department of State's Directorate of Defense Trade Controls ("DDTC"), (iii) the Export Administration Act of 1979 (50 U.S.C. app. §§ 2401 et seq.) and the Export Administration Regulations (15 C.F.R. §§ 730 et seq.) enforced by the U.S. Department of Commerce's Bureau of Industry and Security ("BIS"), (iv) the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 et seq.) and the economic sanctions regulations (31 C.F.R. Parts 501-598) enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), (v) the EU Member States national laws and regulations for the control of exports of Military Items, (vi) the European Union's regime for the control of exports of dual use items governed by the updated Council Regulation (EC) 428/2009, (vii) the European Union's Restrictive Measures and Sanctions in Force, (viii) as well as any other applicable laws and regulations, as amended. The Customer represents and warrants that it is, and will remain, in full compliance with any and all applicable Export Control Laws. The Customer further represents and warrants that it will not divert any of the Products to or through any country or region subject to comprehensive sanctions or trade embargoes as such sanctions and embargoes are amended from time to time, including but not limited to Cuba, Crimea, Iran, North Korea and Syria. The Customer shall be responsible for screening all customers and other parties to which it may resell or deliver the Products. Additionally, the Customer shall apply for any governmental authorizations or licenses required for any contemplated sale or delivery of Products. The Customer shall not resell, retransfer, export or otherwise dispose of the Products unless and until all required governmental authorizations or licenses are obtained from the appropriate authorities. As requested, the Customer shall provide the Seller with a Non Transfer, End-User or End-Use Certificate or similar documentation duly filled in and signed. Seller shall not be liable to the Customer in the event any required authorizations or licenses are delayed, denied, revoked, restricted or not renewed. Failure by the Customer to comply with any of the provisions set forth in this Article shall constitute an irremediable breach to a substantial obligation which may result in immediate termination of all of part of the Contract, without prejudice to any other right, relief or remedy available to the Seller.

**14. Data protection.** The parties, as non-joint controller, exchange contact details of the persons in charge of the management of their business relationship and of the monitoring of the Contract. Both parties undertake to comply with the national and European regulations regarding data protection and in particular to only use personal data for the purpose of performing this Contract, to implement all the necessary measures of security and confidentiality in order to protect this type of data, to ensure the compliance of potential transfer outside European Union, to delete said data at the expiry of the retention period agreed between the parties or any deadline provided by law and to reply to any request from data subjects. Furthermore, each party undertakes to give notification to the other Party in case of any security breach that may have consequences on the data processing.

**15. Miscellaneous.** The Contract constitutes the entirety of the commitments of the Seller and of the Customer with respect to its subject matter, it replaces and substitutes all prior negotiations, exchanges and agreements between them with respect to its subject matter. The fact that the Seller does not exercise a right, expressly or implicitly, in the event of a breach of any obligation by the Customer shall not

be deemed to constitute a waiver of the right to enforce the same clauses at a later date or in respect of any other breach. These terms and conditions of sale are written in English. The French text, disclosed by Seller upon request, shall prevail in the event of a dispute. Any assignment or transfer of any order or the Contract by the Customer requires the prior consent of the Seller.

**16. Governing law and disputes.** The parties expressly agree that any issue relating to these terms and conditions, as well as to the sales they apply to, or to the Contract, which is not governed by these contractual provisions, shall be governed by laws of New York, to the exclusion of any conflict of laws provisions and to the exclusion of the United Nations Convention for the International Sale of Goods. ANY DISPUTE ARISING FROM THE CONTRACT OR RELATED ORDERS, REGARDING THEIR VALIDITY, INTERPRETATION, PERFORMANCE, SETTLEMENT, CONSEQUENCES AND REPERCUSSIONS, SHALL BE SUBMITTED TO THE COMPETENT COURTS AT THE LOCATION OF THE REGISTERED OFFICE OF THE SELLER.

**17. Additional provisions specific to support and aftermarket of Products.** In this paragraph, the term "CSS" means each and every of the Seller's affiliated companies in charge of the support and aftermarket of the Products, such as but not limited to: Safran Aerosystems Services U.K. Limited, Safran Aerosystems Services Middle East – DWC – LLC, Safran Aerosystems Services Americas LLC, Safran Aerosystems Services Asia Pte Ltd.

**17.1 Prices, invoicing and payment:** Unless otherwise agreed between the parties, the Customer shall pay one hundred (100%) percent of the agreed price prior to the delivery date by way of bank transfer from Customer's bank account to CSS, or other form of payment approved by CSS, in accordance with the original invoice issued by CSS prior to the delivery date.

**17.2 Repair and maintenance services:**

**(i) Order submission:** submission of any repair or maintenance order to CSS shall, upon acceptance by CSS, be deemed a request for initial inspection and preparation of a quotation by CSS. The express acceptance by the Customer of a quotation prepared by CSS shall constitute an order to complete the work covered by such quotation. The Customer must return the Product for which it has submitted an order to CSS at its own cost and risk.

**(ii) Initial inspection and quotation:** upon receipt of a Product from the Customer, CSS shall conduct an initial inspection. If the initial inspection does not reveal a problem or defect, CSS shall return the Product to the Customer at Customer's expense, and invoice the Customer for any test inspection and/or administrative costs at CSS' standard rates then in effect. If the initial inspection shows that repair/overhaul or any other maintenance services are required, CSS shall prepare a quotation, which shall indicate the expected duration to complete the service necessary to restore the Products. Shop processing time shall be suspended for the period running between the issuance of a quotation and its acceptance by the Customer. CSS may retain possession of Customer's Products until service has been paid in full on any outstanding invoice. In the event Customer does not respond to a quotation, and the Products stay on CSS premises, CSS may invoice a daily storage fee. If despite CSS' notices, the Customer fails to answer the quotation within thirty (30) days, CSS may claim the Product as its property and take title therein. For clarity purpose, CSS' prices mentioned in any quotation are "standard prices" which shall mean they exclude (i) any service costs that are incurred for a Product a) that has been damaged due to any Non Attributable Event or b) with missing parts; (ii) work or repair costs associated with a Product determined by CSS to be Beyond Economical Repair ("BER"). A Product shall be deemed BER if time and material costs to return the Product to a serviceable condition exceed sixty-five percent (65%) of the current CSS spare price for such Product. If a Product is determined to be BER by CSS, CSS will notify the Customer. Replacement, repair, scrap or return "as is" of BER Product will be performed by CSS upon receipt of Customer's written instructions. If no written instructions are given by the Customer to CSS within a fifteen (15)-day period from notification, CSS will return the BER Product at Customer's costs and shall be entitled to charge the Customer at the test price. If the Customer elects to replace the BER Product, it will purchase a new Product at the current CSS spare price for such Product. If the Customer elects to repair the BER Product, the price of the repair shall be agreed between the parties. If the Customer elects to scrap the Product, CSS will scrap the BER Product and charge the Customer at the test price and the scrap price. "Standard prices" also exclude any Product shipped on an urgent basis.

**(iii) Standard exchange and title:** a standard exchange shall be deemed to be the replacement of a Product with another product in serviceable condition (new or used). The new Product can have a different P/N or S/N. In case CSS anticipates that it will not be able to meet quoted shop processing time, it may offer, if available, standard exchange to the Customer subject to Customer's written consent (by letter, fax or e-mail or via CSS Portal). In such case, CSS shall take title to the Product sent by Customer and shall transfer title to exchanged Product to the Customer. Transfer of title to each Product shall take place on the date and place of delivery (the "Transfer Effective Date") as specified in the accepted quotation. Upon Transfer Effective Date, each party shall bear the risks related to the Product to which it took title. In case of advanced standard exchange, the transfer of title shall be effective upon receipt of the core unit, which shall be returned to CSS within thirty (30) days from the anticipated standard exchange delivery date.

**(iv) Scrapped parts and sub-assemblies:** parts and sub-assemblies determined to be defective during Product maintenance shall be scrapped. Such parts and sub-assemblies shall be stored for a maximum of one (1) month from the date of the quotation, or more based on the service center's local customs regulations. Thereafter, scrapped parts and subassemblies will be destroyed and CSS will charge the Customer at the scrap price.

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