

## GENERAL SALES CONDITIONS

### 1 GENERAL

The purpose of these General Sales Conditions is to define the conditions applicable to the sale of Goods and/or to the supply of Services by TURBOMECA.

They are exclusively applicable in their entirety to contracts and Orders concerning the sale of Goods and/or the supply of Services by TURBOMECA:

- excluding any other general or specific conflicting or supplementary Customer purchasing conditions, even if TURBOMECA does not expressly object to them, unless otherwise specified in writing beforehand and accepted by TURBOMECA;
- unless there are provisions to the contrary in said contract or Order.

**Any Order placed by the Customer or the receipt of delivery carries his acceptance of these General Sales Conditions without reservation.**

### 2 DEFINITIONS

For the requirements of these General Sales Conditions, the terms hereafter that start with a capital letter will have the definition or interpretation that follows them, whether they are used in the singular or plural form.

“Catalogue” means the TURBOMECA price catalogue that is valid for a calendar year and updated at least once a year.

“Customer” means any corporation, natural or legal person who purchases Goods and/or Services from TURBOMECA. This can be an operator customer or an OEM customer.

“Order” means any order for Goods or Services sent by the Customer to TURBOMECA and any Sales Proposal accepted by the Customer.

“GSC” means these General Sale Conditions

“Technical documentation” means any documentation delivered with any aircraft equipped with one or more TURBOMECA engines. The documentation delivered with the aircraft concerns maintenance levels 1 & 2. It includes the maintenance manual, the Service Bulletins and Service Letters index, the modification index, the spare parts and tools catalogues, the maintenance technical instructions and all updates of these documents.

“Standard Exchange” means the exchange of an unairworthy engine, module or accessory that belongs to the Customer for an airworthy pre-owned engine, module or accessory owned by TURBOMECA. The standard exchange implies the transfer of ownership.

“Supplier” means either TURBOMECA, as an Original Equipment Manufacturer (OEM) or its suppliers.

“Day” means a calendar day unless otherwise stipulated in these GSCs or the Contract or Order.

“Goods” means any engine, module, spare part, equipment, component, accessory, tools and any other goods as well as the associated services that can be delivered or supplied by TURBOMECA.

“Customer Goods” means any Goods supplied by the Customer within the framework of a repair procedure (see Article 13).

“Party” means TURBOMECA and/or the Customer.

“Sales Proposal” means any estimate, quotation or costed proposal issued by TURBOMECA.

“Services” means any maintenance, repair, overhaul, rental or standard exchange service, or any other service (including the supply of Goods) provided by TURBOMECA.

“TBO” means Time Between Overhaul and refers to an equipment designed and delivered for a limited operating time - measured either in operating hours (hourly TBO), or in calendar time (calendar limit). As soon as the first limit (hourly TBO or calendar limit) is reached, the equipment must be sent to a Repair Center for overhaul, even if it is operating correctly. After overhaul, its full TBO will be restored.

“TURBOMECA” refers to the TURBOMECA company represented by TURBOMECA's different sites and subsidiaries/affiliates.

### 3 ISSUING AND ACCEPTANCE OF ORDERS

#### 3.1 GENERAL

A Sales Proposal issued by TURBOMECA will be considered as an invitation to do business and under no circumstances constitute an offer.

Orders can be placed in writing by letter, fax or E-mail, or by phone in which case the Order must be confirmed in writing within a maximum deadline of 72 hours from the said phone Order.

A Goods or Services Order or a request for a Sales Proposal must contain at least all of the following information:

- Order Number,
- Date of Order,
- Part number and designation of the Goods or description of the Service,
- Quantity,
- Place of delivery.

### 3.2 ACCEPTANCE OF THE ORDER

A contract shall be concluded once TURBOMECA has accepted the Order from a Customer in writing and within twenty (20) working days following receipt of said Order. No response from TURBOMECA does not constitute acceptance of the Order.

TURBOMECA can express reservations about said Order, whereas a contract shall not become effective until the Customer has placed an amendment to said Order which shall be accepted in writing by TURBOMECA.

### 3.3 MINIMUM ORDER

In order to cover the administrative costs of processing Orders, TURBOMECA applies a minimum Order amount.

The minimum Order amount is two hundred (200) EUROS.

If the Good or the Service subject of the Order represents a sum less than this amount, the minimum amount will systematically be invoiced to the Customer.

### 3.4 REPLACEMENT OF PART NUMBERS

TURBOMECA reserves the right to replace all Goods part numbers with appropriate new part numbers so as to reflect the technical changes required by the Supplier. In such a case, the acceptance of an Order must indicate the new part number, the price, the delivery lead time and interchangeability, as well as minimum quantities of sale.

### 3.5 ADJUSTMENT OF ORDER OR CONTRACT

Any Order or contract in progress can be adjusted after mutual and written agreement between the Parties, that is formalized by an amendment to the Order or contract.

## 4 PRICES

### 4.1 GENERAL

The prices of Goods or Services are those indicated in the TURBOMECA Catalogue or in the Sales Proposals issued by TURBOMECA.

Unless specific conditions are stipulated in the contract or Order, the prices are established in the following conditions:

- Prices are in EURO.
- Not including taxes: unless otherwise indicated, the prices do not include any taxes or fees that could be levied in conjunction with the sale, delivery or use of Goods, or the execution of Services.
- TURBOMECA Plant FCA (ICC Incoterms 2000).
- Goods inspected, conditioned and packaged in wooden crates or boxes.
- The price of Goods does not include conditioning or packaging expenses (other than for wooden crates and boxes), handling, maintenance and repair costs, modifications made to the Goods before and after delivery

at the Customer's request, costs related to shipping, carriage by land, sea or air, customs duties, storage and insurance expenses after Goods have been made available, and costs related to the inspection of Goods by third parties.

- The price of Goods repaired within the framework of Services does not include replacement of missing Goods or missing/not updated Documentation without other prior notice if the Customer fails to comply with the timeframe of fifteen (15) days following notice as per Article 5.2.2.

### 4.2 PRICE VALIDITY

The prices that appear in the Catalogue apply to all Orders that are placed by the Customer as of January 1<sup>st</sup> and for which the delivery date of the Goods or date of supply of the Services is expected within twelve (12) months of the date of acceptance of said Order by TURBOMECA.

If any delivery of Goods or supply of Services is made after this twelve (12) month period and if, after conclusion of the contract, TURBOMECA has incurred unforeseeable cost increases with regard to the Goods or Services for which it does not bear responsibility, TURBOMECA shall be entitled, at its sole discretion, to pass on such higher costs by increasing the agreed price on a pro rata basis.

Considering the rapid and significant evolutions of the economic environment (conditions for the procurement and sub-contracting of components that are specific to aeronautical mechanical engineering), TURBOMECA guarantees the validity of the Catalogue from January 1<sup>st</sup> to June 30<sup>th</sup> and reserves the right to modify the prices for Orders which are placed between July 1<sup>st</sup> and December 31<sup>st</sup>.

For new Goods, the prices are deemed to be firm; for overhaul/repair operations, the prices are indicative.

### 4.3 PROVISION OF SERVICES: TARIFF CONDITIONS

Disassembly, checking, inspection, repair and overhaul services are carried out at a TURBOMECA-approved and qualified repair or overhaul center.

Supplementary expenses for storage, conditioning, transport, insurance, customs duties, transit, taxes, DQP/SQ or GSAC inspection, are borne by the Customer.

Services Sales Proposals are valid for thirty (30) days.

#### 4.3.1 Repair and overhaul

If an agreement is not reached concerning the Sales Proposal, a fixed amount covering the services carried out (disassembly, inspection and assessment costs) will be payable by the Customer.

Regarding the repair service, unless there is a specific agreement, the Sales Proposal is subject to acceptance by the Customer after technical assessment in the factory.

The TURBOMECA overhaul tariffs correspond to the estimated cost of bare engine overhaul, not including accessories or the replacement of life-limited parts.

The estimated cost of parts integrated in the engine during overhaul includes all the parts replaced by new or repaired parts, not including life-limited parts and the incorporation of modifications. This estimation is given for budgetary information only.

#### **4.3.2 Modular engines**

TURBOMECA tariffs include a fixed price for labor (including disassembly, cleaning, inspection, assessment, balancing and reassembly and not including reworking) and a fixed price for acceptance testing.

After technical assessment of the Goods, TURBOMECA will provide a firm and definitive offer, to which TURBOMECA commits after acceptance by the Customer.

#### **4.3.3 Non-modular engines**

The fixed prices for labor and testing cover disassembly, cleaning, inspection, technical assessment, estimate, rework of parts, overhaul or inspection of accessories manufactured by TURBOMECA, reassembly, bench testing (including fuel and consumables), fine-tuning, equipment installation, finishing and TURBOMECA inspection.

The amount indicated for parts is an estimate and includes the replacement of worn parts and the repair of accessories.

#### **4.3.4 Standard exchange**

The Standard Exchange fixed price is a basic flat rate (not including life-limited parts) for a complete equipment, that has not been damaged and that is removed because it has reached the end of its TBO with normal wear (excluding erosion, corrosion, surge, overheating, ingestion of foreign bodies, etc.).

### **5 DELIVERY**

#### **5.1 GENERAL**

Delivery will be deemed complete when Goods are made available according to applicable INCOTERMS 2000, at such time and under such conditions as have been agreed by the Parties.

Notwithstanding the Retention of Title clause provided in Article 9, risk of loss or of damage to the delivered Goods is transferred to the Customer as soon as they are made available at the place of delivery according to the INCOTERMS which apply to the Order or the Contract.

Unless otherwise stated in the Order or the contract, the Goods are delivered FCA - TURBOMECA Plant (ICC Incoterms 2000).

Acceptance tests will take place at one of the TURBOMECA plants.

All Goods returned by the Customer must be delivered in the original packaging or box in which they were delivered by TURBOMECA to the Customer and according to the Technical Documentation.

Any Goods sent by the Customer must be accompanied by their full and updated documents.

#### **5.2 DELIVERY LEAD TIMES**

##### **5.2.1 Applicable Conditions**

The Goods will be delivered and the Services carried out in compliance with the contractual delivery calendar provided in the Order or in the contract.

The delivery lead times will be confirmed by TURBOMECA upon receipt of the down payment.

Unless otherwise specified, any delivery lead time specified in the calendar month, without a precise date, will be deemed to be the last working day of the month in question.

##### **5.2.2 Specific Conditions**

Within the framework of Services, when incomplete Goods are received by TURBOMECA, these delivery lead times do not include the time required for the Customer to send the missing part or for TURBOMECA to procure said missing part.

The Customer must:

- Send back the Goods to be repaired, within the framework of a Standard Exchange or of a rental,
- return the Goods rented by TURBOMECA, within the framework of a rental,

within a maximum deadline of fifteen (15) days as from the provision by TURBOMECA of the Goods delivered in Standard Exchange, rented or repaired as the case may be.

##### **5.2.3 Late Delivery**

Within the framework of Services offered by TURBOMECA, the Customer must respect the timeframe specified in Article 5.2.2.

Any delay in delivering said Goods shall be subject to late penalties in the amount of two hundred fifty (250) EURO per day late from the first day of delay, unless Customer can prove that less damage or no damages at all have been incurred.

Should the Customer fail to return the Goods or the Customer Goods within forty five (45) days from the delivery by TURBOMECA to the Customer of the Good under a Standard Exchange, rented or repaired, then TURBOMECA shall be entitled, in accordance with the statutory provisions, to rescind the contract and/or, if the Customer is responsible for non-delivery, to claim damages.

### 5.3 EXPRESSION OF RESERVATIONS FOR TRANSPORT DAMAGES

The customer is obliged, at the time of delivery, to check the visible condition of the packaging and the number of packages, and at the same time to raise any necessary written reservations, which shall be precise and substantiated, on the delivery note, the AWB (AirWay Bill) or any other transport document.

If any reservations are raised at this stage, the Customer must, without undue delay, fax a copy of the delivery note or AWB, showing these reservations, to TURBOMECA. Furthermore, these reservations shall be confirmed to the carrier by registered mail with acknowledgement of receipt, within three (3) days after receiving the Goods.

In case of non-visible damage, discovered when opening the packages, the Customer shall have a time limit within which he shall state any reservations, and this time limit shall depend on the type of transport:

domestic road transport: three (3) days from the date of delivery, excluding Sundays and public holidays;

international road transport: seven (7) days from the date of delivery, excluding Sundays and public holidays;

transport by air: fourteen (14) days from the date of receipt, excluding Sundays and public holidays.

Any non-compliance with the above-mentioned time limits will render any action against the carrier inadmissible, except in the case of fraud by the latter.

In case of shipment of Goods, the transport documents agreed by the shipper or the carrier are conclusive evidence of quantities delivered at the named place of destination.

### 5.4 EXTENSION OF LEAD TIMES

TURBOMECA shall be excused from compliance with agreed lead times for deliveries, which may be extended by TURBOMECA without compensation to the Customer in the following circumstances:

- if the Customer has not complied with terms of payment as agreed between the Parties;
- when information required from the Customer is not received in due time;
- when a new request or a variation is submitted by the Customer,
- when TURBOMECA is hindered or prevented from complying with its obligations in part or in full due to a case of Force Majeure consistent with Clause 14 "Force Majeure",
- with respect to Goods which TURBOMECA does not produce itself, if TURBOMECA has not correctly and timely received such Goods from its suppliers due to reasons for which TURBOMECA is not responsible.

The agreed lead time for delivery or supply of Goods will be extended for so long as and to the extent that TURBOMECA's performance will remain affected by such circumstances.

## 6 TECHNICAL MODIFICATIONS

### 6.1 MODIFICATIONS INTEGRATED BEFORE DELIVERY

Configuration changes can be carried out at any time by TURBOMECA so as to comply with National Civil Aviation Authorities' regulations.

Mandatory modifications requested by the Official French Authorities for Goods of the same type as those that are the subject of the Order, and which affect either the delivery dates, price, weight or technical clauses, will be automatically applied by TURBOMECA, without TURBOMECA giving compensation to the Customer, even if these modifications lead to an extended delivery lead time or additional costs. TURBOMECA shall notify Customer in advance of any such mandatory modifications, in which case Customer's statutory right to rescind the contract shall remain unaffected.

In addition, without prejudice to its obligation to comply with the Order, TURBOMECA reserves the right to carry out the following to the Goods to be delivered:

- any modifications that do not have a significant effect on the performance of Goods, the contractual price or the delivery lead times;
- any modifications that have a significant effect on the performance of Goods, the contractual price or the delivery lead times. In this case, TURBOMECA must consult the Customer beforehand to reach an agreement on the contractual consequences of said modifications.

Any configuration change requested by the Customer must be subject to a mutual and written agreement, and will give rise to an adjustment of the price of the Goods, the payment and the delivery lead times.

### 6.2 MODIFICATIONS DECIDED UPON AFTER DELIVERY

Technical information will be included in the documentation issued by TURBOMECA (**Service Letters** and **Service Bulletins**).

TURBOMECA undertakes to supply the Customer with the parts needed for the incorporation of the modifications on Goods that have already been delivered. The terms of application for these modifications will depend on the classification of these modifications and the information indicated in the documentation issued by TURBOMECA.

### 6.3 CONSEQUENCES OF NON-COMPLIANCE WITH THIS CLAUSE

Any modification imposed by the Official French Authorities/National Civil Aviation Authority that is deemed mandatory or recommended by TURBOMECA, that is communicated by **Service Letters** or **Service Bulletins**, and that has not been implemented by the Customer will release TURBOMECA from its warranty obligations.

Similarly, any modifications incorporated by the Customer without TURBOMECA's prior written approval, will release TURBOMECA from its warranty obligations pursuant to Article 10.

Furthermore, failure by the Customer to implement the above-mentioned modifications or have them implemented will preclude any and all rights of claim or recourse whatsoever from the Customer against TURBOMECA if based on an incident or accident which is as a result of non-compliance with this clause, unless TURBOMECA is responsible for such non-compliance pursuant to Article 18.

## 7 AUTHORIZATION/EXPORT LICENSE

If the supply of Goods within the framework of the contract or an Order requires export licenses or authorizations to be obtained, TURBOMECA will perform all the necessary steps to comply with export control regulations.

If the supply of Customer Goods within the framework of the Contract or an Order requires export licenses or authorizations to be obtained, the Customer will perform all the necessary steps with the relevant government authorities in order to comply with export control regulations.

In addition, the Customer undertakes to:

- Not assign or otherwise dispose of the Goods outside the territory to which they were shipped and for which the final use was defined on the Order or Contract without first obtaining written consent from TURBOMECA and/or the relevant Authorities in particular from the American authorities in the case of goods of US origin pursuant to American ITAR (International Traffic in Arms Regulations: war materials) and/or EAR (Export Administration Regulation: double use goods) regulations,
  - supply the corresponding certificates of non re-exportation, or final use certificates which may be required to obtain the necessary authorizations to comply with control regulations for the exports concerned,
  - to provide evidence of the arrival of shipped Goods in the country of destination by providing TURBOMECA with one of the following documents for the relevant Authorities:
    - a duly authenticated copy of the import customs clearance certificate for import in the country of destination, with a customs authority stamp
- or
- a certificate from the customs/excise authorities of the country of destination.

In the event that the export license/authorization required for export is not obtained, if there is a delay in obtaining it, or if it is obtained and then later revoked or not renewed, no claim can be made against TURBOMECA by the Customer, unless TURBOMECA is responsible for such

## 8 PAYMENT

### 8.1 TERMS OF PAYMENT

Unless there is a specific provision in the contract or in the acceptance of the Order, and without prejudice to the provisions of Article 4.3, the Customer will pay TURBOMECA a down payment of thirty percent (30%) of the amount of the Order,

which is payable within thirty (30) days following the issue of the acceptance of the Order.

The remaining balance, which is seventy percent (70%), will be paid to TURBOMECA by the Customer within the thirty (30) days that follow the date of the invoice.

If TURBOMECA becomes aware of the risk of Customer's impossibility to perform (*mangelnde Leistungsfähigkeit*) after conclusion of the contract, TURBOMECA shall be entitled to make outstanding deliveries only against prepayment or the provision of security. If such prepayments or security have not been rendered even after the expiry of a reasonable grace period, TURBOMECA may partially or totally rescind individual or all of the affected contracts. TURBOMECA shall remain entitled to assert further rights.

Customer is only entitled to a set-off if his counterclaim is uncontested, ready for decision or has been finally adjudicated.

The Customer must indicate the number of the invoice relating to the payment that he is making.

The payments are made by the Customer by bank transfer to TURBOMECA's account, the references for which are indicated in the contract or the acceptance for the Order.

The payments are due in the currency specified by TURBOMECA on the invoice and are for the net amounts indicated on the invoice, with no right to deduction.

Bills of exchange and checks shall only be taken on account of performance upon special agreement and without any bank charges or other costs for TURBOMECA.

### 8.2 DISCOUNT

TURBOMECA will not award a discount to the Customer in the event of early payment (payment made earlier than the payment date indicated on the invoice).

### 8.3 LATE PAYMENT

In the event Customer does not make payments within the thirty (30) day' period as specified in Article 8.1, he shall be in default. Payments by Customer shall not be deemed to have been made until TURBOMECA has received such payment.

In the event that Customer is in default, TURBOMECA shall be entitled to demand default interest in the applicable statutory amount. Any claims for further damages due to the default shall remain unaffected.

## 9 RETENTION OF TITLE, RETURN OF GOODS

### 9.1 RETENTION OF TITLE

TURBOMECA retains ownership of the delivered Goods until any and all claims of TURBOMECA arising from its business relationship with Customer have been fully paid and received by

TURBOMECA in accordance with Article 8 "Payment", as stipulated in the contract or the Order.

In the case of current accounts, this retention of title shall serve as security for the claim for the balance to which TURBOMECA is entitled.

Customer shall only be allowed to sell the products subject to retention of title ("Products subject to Retention of Title") within normal and proper business transactions. Customer is not entitled to pledge the Products subject to Retention of Title, grant chattel mortgages on them or make other dispositions endangering TURBOMECA's title to such products. Customer hereby assigns its receivables arising from the resale of the products to TURBOMECA, and TURBOMECA hereby accepts such assignment. Should Customer sell the Products subject to Retention of Title after joining such products together with other goods, this assignment of receivables shall only be agreed to for an amount equivalent to the price agreed upon between TURBOMECA and Customer plus a safety margin of 10 % of this price. Customer is granted the revocable authorization to collect in trust the claims assigned to TURBOMECA in his own name. TURBOMECA may revoke such authorization and the right to resell the products if Customer is in default of the performance of material obligations such as making payment to TURBOMECA.

Should the Products subject to Retention of Title be joined with other goods, TURBOMECA shall acquire joint ownership of the new goods in the ratio of the value of the Products subject to Retention of Title to the other goods at the date of joining. Should the joining of the goods occur in such manner that Customer's goods are to be viewed as the main goods, it shall be deemed to be agreed that Customer assigns proportionate joint ownership to TURBOMECA. Customer shall hold the joint ownership created in such manner in custody for TURBOMECA.

Customer shall provide TURBOMECA at all times with all desired information concerning the Products subject to Retention of Title or receivables assigned to TURBOMECA under this contract. Customer shall immediately notify TURBOMECA of any attachments of or claims to the Products subject to Retention of Title by third parties and shall provide the necessary documents in this regard. Customer shall at the same time advise the third party of TURBOMECA's retention of title. The costs of a defense against attachments and claims shall be borne by Customer.

Customer is obliged to treat the Products subject to Retention of Title with care for the duration of the retention of title.

Should the realizable value of the securities exceed all of TURBOMECA's claims that are to be secured by more than 10 %, Customer shall be entitled to demand a release to such extent.

Should Customer be in default of material obligations such as payment to TURBOMECA, and should TURBOMECA rescind the contract, TURBOMECA may, notwithstanding any other rights, request surrender of the Products subject to Retention of Title and may make use of them otherwise for the purpose of satisfying its matured claims against Customer. In such case, Customer shall grant TURBOMECA or TURBOMECA's agents, immediate access to the Products subject to Retention of Title and surrender the same.

## **9.2 RETURN OF GOODS**

Should the parties disagree on the terms of returning Goods, this disagreement will be settled as per the terms of Clause 21 "General Provisions", on the initiative of one of the Parties.

TURBOMECA or an expert appointed by the Parties will ascertain the condition of the returned Goods and will assess their values at the date of their return.

## **10 QUALITY, CUSTOMER'S RIGHTS IN CASE OF DEFECTS**

All delivered Goods designed and manufactured by TURBOMECA shall be of the agreed quality; the quality will exclusively be determined by the specific written agreements concerning the characteristics, features and specifications of the Goods.

Information provided in sales catalogues, price lists and any other informative literature provided by TURBOMECA or any other descriptions of the Goods shall under no circumstances constitute a guarantee for any specific quality of the Goods; such specific quality or durability guarantees must expressly be made in writing.

Customer's rights in case of defects of the Goods shall require that he inspects the Goods upon delivery without undue delay and notifies TURBOMECA of any defects in writing and without undue delay; hidden defects must be notified to TURBOMECA in writing without undue delay upon their discovery.

In the event of a notification of a defect, TURBOMECA shall have the right to inspect and test the Goods to which objection was made. Customer will grant TURBOMECA the required period of time and opportunity to exercise such right. TURBOMECA may also demand from Customer that he returns to TURBOMECA at its expense, the Goods to which objection was made. Should Customer's notification of the defect prove to be unjustified and provided Customer has realized this prior to the notification of the defect or has not realized it in a negligent manner, Customer shall be obliged to reimburse TURBOMECA for all costs incurred in this respect, e.g. travel expenses or shipping costs.

TURBOMECA shall be entitled to remove the defect at its option by remedying the defect or, alternatively, by delivering a replacement, both free of charge to Customer (together "Subsequent Performance").

Customer shall give TURBOMECA the necessary reasonable time and opportunity for the Subsequent Performance.

Items that have been replaced by TURBOMECA shall upon its demand, be returned to TURBOMECA.

Customer's rights in case of defects shall be excluded in the following events: (i) natural wear and tear, (ii) defects of the Goods due to reasons for which Customer bears responsibility, such as inappropriate or improper use, the non-observance of the operational instructions, incorrect start-up of operation or faulty treatment (e.g. excessive wear), (iii) incorrect assembly and/or installations by Customer or a third party commissioned

by Customer, and (iv) the use of unsuitable accessories or spare parts that are not authorized by TURBOMECA or the performance of inappropriate repair works by Customer or a third party commissioned by Customer.

MOREOVER, THE CUSTOMER IS NOTIFIED THAT THE USE OF SPARE PARTS THAT ARE NOT AUTHORIZED BY TURBOMECA MAY SUBSTANTIALLY HINDER THE PERFORMANCE OF THE GOODS.

THUS, IF SUCH NON-AUTHORIZED PARTS ARE USED, THE CUSTOMER WILL ASSUME FULL RESPONSIBILITY FOR ALL DAMAGE, CONSEQUENCES OR REDUCTIONS IN PERFORMANCE AS A RESULT OF SUCH USE, INCLUDING THOSE AFFECTING AUTHORIZED PARTS OR ASSEMBLIES, THE COST OR SAFETY OF OPERATIONS CONCERNING THE ENTIRE ASSEMBLY.

Should the Subsequent Performance fail, should such remedy be unreasonable for Customer or if TURBOMECA has refused such remedy pursuant to Section 439 (3) German Civil Code (*BGB*), Customer may, at his option, rescind the contract in accordance with the statutory provisions or reduce the purchase price and/or claim either damages pursuant to Article 17 or the reimbursement of its futile expenses.

The limitation period for Customer's claims for defects shall be twelve (12) months beginning with the handover of the Goods to Customer. The provisions on statute of limitations of Section 479 BGB shall remain unaffected. For damage claims of Customer due to other reasons than defects of the Goods or for rights of Customer with respect to defects concealed in bad faith or caused intentionally, the statutory limitation period shall apply.

## 11 TERMINATION OF ORDER OR CONTRACT

In the event that all or part of the Order or contract is terminated by the Customer, he will owe TURBOMECA the following amounts.

Upon receipt of notification of termination from the Customer, TURBOMECA will only proceed with liquidation operations relating to the Order or contract, both on its own premises and at its sub-contractors' or suppliers' sites.

If the Order or contract is terminated, the Parties' accounts will be settled on the basis of this value without prejudice to possible damages that may be owed by the Customer in compensation for the prejudice suffered by TURBOMECA due to the termination of the sale. Down payments made may also accrue to TURBOMECA and may be offset against any amounts still owed by the Customer.

Liquidation of the Order or contract will be carried out according to the following terms:

### a) At the Customer's expense:

- the sums owed to TURBOMECA by the Customer, i.e. all expenses, increased by five percent (5%), incurred by TURBOMECA for the execution of the Order and/or contract, and calculated up to the termination day, and

- a fixed indemnity corresponding to a percentage to be determined in the termination agreement which will be applied to the part of the Order and/or contract not carried out. It is specified that these amounts cannot, in any event, be less than the following percentages, applied to the overall amount of the Order or contract according to the date of notification of termination by the Customer:

- after acceptance of the Order: thirty percent (30%)
- after ordering of all or part of the materials and external supplies: sixty percent (60%)
- after the start of production of all or some of the Goods: one hundred percent (100%)

If the request for termination is received by TURBOMECA less than six (6) months before the planned delivery date indicated in the Order or contract, TURBOMECA reserves the option of claiming the total value of the Order or contract.

### b) To the Customer's benefit:

The total amount paid by the Customer as advance payments or payments to settle the balance.

TURBOMECA will issue an invoice which must be paid by the Customer within thirty (30) days following the issuing of the invoice. In case of late payment of the invoice, the customer will owe penalties as provided for in Article 8.3 "Late payments".

Goods which, under the terms of the termination agreement, become the property of the Customer, shall be collected by the Customer as soon as possible after they have been placed at his disposal. After one (1) month, the storage and insurance costs will be at the Customer's expense.

Goods will not be put at the Customer's disposal and the Customer shall not collect them until such time as the Customer has settled all amounts owed to TURBOMECA under the terms of the termination agreement.

If, at the end of a six (6) month period after Goods have been placed at the Customer's disposal, the latter has not taken delivery of the Goods, TURBOMECA may, if the payment of supplementary expenses is not received, proceed with a sale of said Goods by public auction.

## 12 PROCESSING OF NON-REPAIRABLE/NON-REPAIRED GOODS

TURBOMECA reserves the right to refuse to enter certain civil Goods into the repair process at the time the Goods are received (most notably due to their nature, their degree of wear or to the extent of the necessary repairs) or after technical investigation of the Goods.

### 12.1 NON-REPAIRABLE GOODS AND/OR PARTS

Goods which are declared by TURBOMECA to be non-repairable or unairworthy because of their condition, their degree of wear or the extent of the repairs needed, will, unless expressly indicated otherwise by the Customer, be discarded.

TURBOMECA will inform the Customer of its decision to discard the Goods and will send him a Sales Proposal.

The Customer must communicate its decision to TURBOMECA within the deadline indicated in said Proposal, specifying if he wishes:

**a) To recover his Goods**

- In this case, the Customer must send an explicit written request for the return of the Goods, in which he undertakes not to reinstall the Goods in question on a helicopter and not to resell the Goods to a third party. TURBOMECA can only return the Goods after receiving this written request from the Customer;
- TURBOMECA marks the Goods in a specific way and renders them unserviceable. The manufacturer identification plate is destroyed. For Goods which are under FAA authority and which are declared to be non-repairable, TURBOMECA engraves the indication "SUSPECT PART" on them after engraving a line through the Part Number of the Goods;
- On the documentation accompanying the Goods, the indication "Discarded Goods" or "Goods returned unrepaired - Unairworthy as is" is marked.
- TURBOMECA returns said Goods to the Customer according to the Incoterm FCA-agreed location (ICC Incoterms 2000), not repaired and accompanied by its documentation.

**b) Not to recover his Goods**

- TURBOMECA requests the Customer's written consent to transfer ownership of the Goods in question free of charge;
- The Customer can either:
  - Send its written consent at TURBOMECA's request;
  - Or accept the sales estimate listing the Goods that are to be discarded by TURBOMECA. Acceptance of the sales estimate then includes implicit consent to transfer ownership from the Customer to TURBOMECA for the purpose mentioned;
- TURBOMECA can then proceed to destroy the Goods.

**12.2 GOODS WHICH ARE REPAIRABLE, BUT UNSERVICEABLE AS IS**

Goods that are declared to be repairable after a technical investigation by TURBOMECA, will be the subject of a Sales Proposal sent to the Customer.

If the Customer does not accept the Sales Proposal or does not respond to the various proposals or requests made by TURBOMECA, these Goods will be declared to be unserviceable in their current condition.

**a) If the Customer does not accept the estimate issued by TURBOMECA**

- The Goods are stored by TURBOMECA, which holds them at the Customer's disposal in the condition which they are in after the investigation;
- The Customer is given formal notice by TURBOMECA to collect the Goods within fifteen (15) days of his refusal for the repair to be carried out;
- At the end of this period, if the Goods have not been collected, TURBOMECA will send the Customer a document proposing a transfer of ownership of the Goods to TURBOMECA free of charge;
- When the Customer sends the signed document back to TURBOMECA, the latter is free to do as it wishes with it;
- If the Customer does not return the signed document, TURBOMECA will, after a period of twelve (12) months has expired, implement legal proceedings to instigate an immediate sale by public auction of the abandoned Goods in order to recover what it is owed from the price if there is a debt, or possibly to acquire the Goods. TURBOMECA will notify Customer of such public auction in a timely manner.

**b) If the Customer does not respond to the proposed estimate from TURBOMECA**

- At the end of a period of two (2) months after the Customer has received TURBOMECA's Sales Proposal, TURBOMECA will send the Customer a document proposing a transfer of ownership of the Goods to TURBOMECA free of charge;
- If the Customer does not return the signed document, after a period of twelve (12) months has expired, TURBOMECA will implement the above-mentioned legal proceedings for a sale by public auction. TURBOMECA will notify Customer of such public auction in a timely manner.

**13 SERVICES**

**13.1 GENERAL**

TURBOMECA may provide maintenance, repair and/or overhaul Services to the Customer's Goods.

As for Goods manufactured by TURBOMECA, all repair Services shall be carried out in compliance with Goods repair or replacement procedures in force at TURBOMECA. In some cases, the Customer may make a written request to TURBOMECA to derogate from said procedures in order to apply another procedure approved by the relevant airworthiness authority.

TURBOMECA has the right to refuse to perform a Service on the Customer's Goods in one of the following cases:

- If said Goods contain non compliant parts or previous repairs, parts of suspicious origin.
- If said Goods do not fall under the field of certifications held by TURBOMECA.

The supplies, as well as the repairs / overhauls / modifications to Goods delivered and/or carried out by TURBOMECA are compliant with standards "EN 9100-2000" and performed under EASA production or servicing certification (Part 21G – Part 145) or another equivalent certification.



The Goods provided within the framework of an Order or Contract comply with E.A.S.A Part 145 regulations, issued by the D.G.A.C. (Direction Générale de l'Aviation Civile – General Department of Civil Aviation) or any other airworthiness authority of the Customer's jurisdiction to the extent of certifications held by TURBOMECA.

All surveillance and acceptance procedures are therefore the responsibility of said body, in compliance with applicable aeronautical regulations.

An authorized release certificate recognized by the relevant authority shall be issued to the Customer upon delivery of the repaired Goods.

By accepting a TURBOMECA Sales Proposal, the Customer shall certify that it has full authority to act in the name and on behalf of the operator and/or owner of the Goods. The Customer undertakes to provide written proof thereof.

The Customer undertakes to:

- ensure that original manufacturing of the Goods returned by the Customer be of SUPPLIER origin,
- inform TURBOMECA that the Goods have not suffered any stress, accident or other unusual damage,
- inform TURBOMECA if the use of the Goods is for military or civil purposes.
  
- The Customer may supply Customer Goods within the framework of Services. Said Goods must be in operational condition and ready to be used without modification beforehand and from the SUPPLIER with authorized release certificates acceptable by TURBOMECA. Any late delivery of Customer Goods authorizes TURBOMECA to use any other Goods as replacement at the Customer's expense.

### **13.2 REPAIR CENTER PROCEDURES**

Upon receiving Goods at a repair Centre, TURBOMECA carries out a technical assessment of the Goods based on which a technical estimate is drawn up and submitted to the Customer in the form of a Sales Proposal. Damaged Goods shall be the subject of a repair or replacement by Standard Exchange or by a new part.

If any additional work is deemed necessary while the Service is being performed, said work shall be the subject of a new Sales Proposal.

Upon completion of a Repair Service at a Repair Center, the Goods shall be tested on a test bench.

### **13.3 SERVICE CENTRE PROCEDURES**

Upon receiving Goods at a Service Centre, TURBOMECA carries out a visual inspection of the Goods based on which a technical estimate is drawn up and submitted to the Customer in the form of a Sales Proposal. Damaged Goods which cannot be repaired shall be the subject of replacement by Standard Exchange or by a new part.

Any additional work with respect to the Sales Proposal due to the actual condition of Goods observed during the maintenance procedure shall be the subject of revision of the Sales Proposal.

Upon completion of a Service at a Service Center, all test bench testing remains optional and shall be subject to a specific sales agreement with the Customer.

### **13.4 TRAINING**

TURBOMECA can provide, on the premises of its training centers or in the field, at the prevailing price, training to the Customer's experienced mechanics. This training will cover the maintenance operations described in the maintenance manual for the Goods.

### **13.5 ON-SITE TECHNICAL ASSISTANCE – SECONDMENT OF TURBOMECA PERSONNEL**

Upon the Customer's request, TURBOMECA can second one or more qualified and accredited technicians to the Customer's site on a date to be mutually agreed upon. In this case, the fees will be invoiced to the Customer at the TURBOMECA price in force.

The TURBOMECA technicians will remain subject to their own national system labor laws. They will only be available for five (5) working days per week, and on the basis of a maximum of eight (8) hours per day.

## **14 FORCE MAJEURE**

TURBOMECA will not be held responsible in the event of a failure or delay in the execution of one or more contractual obligations if this failure or delay is due to events that are unforeseeable, unavoidable and outside the control and sphere of influence of TURBOMECA and for which TURBOMECA does not bear responsibility.

The following are for example considered to be cases of force majeure: Acts of God, war, natural disasters or labor disputes.

TURBOMECA will inform the Customer in writing as soon as possible in the event of such an occurrence, which will result in the execution of TURBOMECA's obligations being extended or rescheduled, as applicable, for the length of such occurrence. If the end of such occurrence is not foreseeable, or should it continue for more than two months, each party is entitled to rescind the contract.

## **15 CONFIDENTIALITY**

The information that is exchanged based on the Order or the contract between TURBOMECA and the Customer is subject to the following provisions or, if necessary, to the terms of the confidentiality agreement signed between TURBOMECA and the Customer.

The following in particular are considered as being confidential ("Confidential Information"): all documents, data, plans, drawings,

test specimens, templates, specifications, software and technical and sales information, whatever format they may be (written or printed documents, CD-ROM, digital media, etc.) and whatever the means of transmission (written, oral, visual, by computer including network and/or e-mail, etc.), that are sent to the Customer by TURBOMECA.

The duration of the obligation for confidentiality is ten (10) years, to be counted from the last delivery of Goods to the Customer within the framework of the Order or the contract.

In any event, the Customer will ensure that all the Confidential Information supplied by TURBOMECA relating to the Order or contract remains confidential and is protected from disclosure.

The Customer also undertakes to:

- keep the information strictly confidential, and process it with the same degree of caution and protection that he would give to his own Confidential Information of the same importance,
- only disclose it to the members of his personnel, employees, agents who need to know the information, and who are duly informed of the confidential nature of this Confidential Information,
- not use the information, either totally or partially, for any purpose other than the execution of the Order or contract,
- not disclose the information, either directly or indirectly, to any third parties or to any persons other than those mentioned above, without TURBOMECA's prior written agreement and providing that the third-party beneficiary, undertakes, beforehand and in writing, to the Customer, (who remains accountable to TURBOMECA for the third-party beneficiary's compliance with said obligations), to the same confidentiality obligations as those contained in this clause.
- not copy, reproduce or duplicate, either entirely or partially, the information without TURBOMECA's prior written agreement,
- return the information immediately to TURBOMECA at its request, as well as any copies or duplicates. In this last case, the Customer undertakes to stop using the Confidential Information concerned immediately.

The obligations to maintain confidentiality as set out above shall not apply to such Confidential Information which

- has already been known by Customer at the time of its receipt; or
- was public knowledge at the time of its receipt by Customer or subsequent thereto becomes public knowledge through no fault of Customer; or
- was received by Customer from a third party that is legally entitled to disclose such information to others without being bound by a confidentiality obligation; or
- has to be disclosed to public authorities due to official regulations, provided that Customer promptly informs TURBOMECA of such disclosure and uses its best efforts to limit the disclosure to the minimum necessary; or
- has been independently developed by Customer.

Customer has the burden of proof that any of such exceptions apply.

## 16 INTELLECTUAL PROPERTY

The Parties recognize that, in the framework of the execution of the Order or contract, TURBOMECA reserves all the intellectual property rights linked to the Goods or Services such as patents and licenses, know-how, experimental data and test results, specifications, design models and processes, inventions that are patentable or not, discoveries, technical descriptions and other work of a technical nature, definition files, manufacturing files, industrial secrets and know-how as well as information relating to industrial techniques.

Any copy, modification and/or reproduction of Goods or Services without TURBOMECA's prior written agreement is strictly prohibited. Non-compliance with this clause will result in a direct prejudice to TURBOMECA for which TURBOMECA will reserve the right to ask the Customer for compensation if he is responsible for such non-compliance.

No provision of the Order or contract can be interpreted as constituting a license right or a transfer of rights over intellectual property.

## 17 TRANSFER TO THIRD PARTIES

The Customer shall not, without TURBOMECA's prior written agreement, transfer all or part of the Order or contract to any third party whatsoever.

## 18 LIMITATION OF LIABILITY

TURBOMECA's obligation to pay damages shall be limited as follows:

- For damages caused by a breach of a material contractual obligation, TURBOMECA shall only be liable up to the amount of the typically foreseeable damage at the time of entering into the contract; TURBOMECA shall not be liable for damages caused by a breach of a non-material contractual obligation.
- The limitation of liability as set out above shall not apply to damages caused intentionally or by gross negligence, culpably caused personal injuries nor to any liability under the German Product Liability Act and in case of any further mandatory liability. Furthermore, it shall not apply if and to the extent TURBOMECA has assumed a guaranty.

Customer shall take all reasonable measures necessary to avert and reduce damages.

## 19 INSURANCE

The Customer undertakes to purchase and maintain an insurance coverage with a reputable insurance company adequate to cover its comprehensive general liability (unlimited for cases of personal injury) and delivered Goods until ownership has been transferred. The coverage shall be of the all risks type for the value of the Goods as new until full payment is received.

At its request, TURBOMECA must be provided with the certificates of the pertaining policies specifying the type and

amounts of coverage in effect and the expiration dates of each policy.

Policies must expressly mention that the Goods are the property of TURBOMECA and that, in the event of loss or damage of any kind, the insurance company will pay indemnity directly to TURBOMECA.

Furthermore, these policies must stipulate that the insurance company waives its right to make any claim against TURBOMECA and TURBOMECA's underwriters. The insurance company cannot hold TURBOMECA responsible for lapses in policies that are due to an error made by the Customer.

## **20 PRODUCT LIABILITY**

If Customer sells the Goods, whether unchanged or changed, whether after processing, transformation, joining, blending or mixing with other goods, Customer shall indemnify TURBOMECA in their internal relationship against any product liability claims of third parties if and to the extent Customer is responsible for the defect leading to the liability also within their internal relationship.

## **21 GENERAL PROVISIONS**

Amendments and supplements to the contract and/or these GSC and any side agreements must be made in writing. The same shall apply to the amendment of this written form requirement.

If a provision of the contract and/or these GSC is invalid, in whole or in part, the validity of the remaining provisions shall remain unaffected hereby.

The laws of the Federal Republic of Germany shall apply to these GSC and to the Parties' contractual relationship to the exclusion of the UN Convention on Contracts for the International Sale of Goods, dated 11 April 1980 (CISG).

Exclusive venue for any and all disputes arising from or in connection with the Parties' contractual relationship shall be Hamburg. TURBOMECA is entitled, however, to sue Customer in any other court having statutory jurisdiction.

NAME OF THE CUSTOMER:

NAME OF THE SIGNATORY:

TITLE:

DATE:

SIGNATURE:

STAMP OF THE CUSTOMER: