

General Terms and Conditions of Sale

1. – General

The following terms and conditions shall exclusively apply to all sales of goods by LISI AEROSPACE or any of its affiliated companies (“Supplier”) and/or any quote made by the Supplier to the purchaser of such goods (“Customer”). The identity of Supplier, Customer and the goods being purchased, the quantity of the goods being purchased, delivery information and other material information applicable to the sale of the goods shall be set forth in Customer’s purchase order (the “PO”) delivered to Supplier. These terms and conditions including Supplier’s General Logistic Conditions (available on Supplier’s Web Site www.lisiaerospace.com under Terms & Conditions), are incorporated into and made a part of each quote and acceptance of the PO,. Any quote made by the Supplier is subject to changes and/or termination by the Supplier’s notice to the Customer at any time until any PO has been agreed in writing by both the Customer and the Supplier.

2. – Scope of the Agreement

Upon the earlier of Supplier’s written acceptance of the PO or acceptance by Customer of goods furnished by Supplier in response to a PO, the written acceptance, if any, these terms and conditions including Supplier’s General Logistic Conditions, and the PO shall be the complete and final agreement (the “Agreement”) between Supplier and Customer with respect to the sale of goods identified in the PO. No preprinted or form language contained in the PO shall be part of the Agreement. Supplier’s acceptance of any PO is expressly made conditional upon Customer’s acceptance of these terms and conditions, and Supplier expressly objects to any additional or different terms and conditions, whether set forth in the PO or otherwise, irrespective of the date on which these terms and conditions are brought to the attention of Supplier. Supplier will not be deemed to have waived these terms and conditions if it fails to object to provisions contained in Customer’s PO or other forms. Any other documents, such as catalogues, advertising material, and price lists not expressly included as part of the Agreement as provided above do not form part of the contract between Customer and Supplier. The Agreement, including these terms and conditions, may not be cancelled or changed except in writing signed by both Supplier and Customer.

3. – Purchase Orders

All PO for goods are subject to minimum quantities per batch deliveries and specific conditions such as commercial and delivery policies as determined by Supplier from time to time. Customer is not entitled to terminate any accepted PO without Supplier’s written consent. If Supplier consents to any termination requested by Customer, Supplier may condition such consent on the payment by Customer of reasonable termination charges computed by Supplier. Any changes to an accepted PO requested by Customer shall be subject to Supplier’s consent and equitable price adjustment and such other conditions as Supplier may impose. For any accepted PO cancellation, Customer will pay all costs and expenses including but not limited to work in process, raw materials, components and non-recurring costs, or liquidated damages to be calculated as following:

Period of cancellation of the PO (before the delivery date)	% of the added value of the cancelled goods, and full costs of raw materials and components to be paid by Customer
> 6 months	30% of the added value + 100% of raw materials & components
6 months to 3 months	50% of the added value + 100% of raw materials & components
3 months	80% of the added value + 100% of raw materials & components

4. – Ownership and Use of Documentation and Tools

All oral or written information including, but not limited to, plans, descriptions, technical documents, discussions, know-how or quotes disclosed to Customer (the “Information”) shall be provided as loaned material, for the sole purpose of evaluating and discussing the sale of goods by Supplier to Customer. Right to ownership of or title to Information and prototypes shall remain the exclusive property of the Supplier. All Information must be returned to Supplier upon request and shall not be provided to any third party without Supplier’s prior written consent. Expenses incurred by Supplier for designing and creating any tools and for improving manufacturing may be subject to a financial participation by Customer. Tools designed by Supplier and/or adapted to its methods and equipment shall remain the exclusive property of Supplier, and shall stay in its workshops. Supplier is entitled to destroy the tools in the event that they should remain more than two (2) years without receipt of a new PO of satisfactory quantity.

No license or conveyance of any rights under any discoveries, inventions, patents, trade secrets, copyrights or other form of intellectual property is granted or implied to Customer nor confer or grant to Customer in any manner whatsoever any right or interest of any kind in the event of Customer’s participation in designing and creating any tools.

All intellectual property rights as well as know-how incorporated into the Information transmitted, the goods delivered, the tools used and the services performed shall remain the exclusive property of the Supplier.

5. – Inspection, Acceptance and Rejection

Customer will make adequate inspection of the goods’ conformity promptly after receipt but in no event later than five (5) calendar days from the date of delivery. Any rejection of goods shall specify the reasons for the rejection. Customer’s failure to properly reject goods within five (5) calendar days from the date of delivery of such goods shall constitute Customer’s acceptance of the goods and waiver of any nonconformity or defect. Rejected goods must be returned to Supplier upon prior written authorization. Further processing, modification, or assembly of goods, material, etc., by Customer or any third party shall constitute a waiver of any liability on Supplier’s part.

Credit will only be processed on non-conforming goods that are returned to Supplier in a timely manner. Any claim by Customer relating to shipped quantity has to be made within ten (10) calendar days from the date of shipment of the goods. Due to the general accuracy of the weighting tools in the aerospace industry, Customer agrees that the delivered goods will be invoiced by Supplier with the tolerance of more or less three percent (3%) of the value of the delivered goods. Any delivery under an accepted PO filled by Supplier that is more or less ten percent (10%) than the quantity ordered by Customer will be deemed to be fully performed.

6. –Confidentiality

The parties are mutually bound by a general obligation of confidentiality concerning the Information exchanged in connection with the preparation and performance of the Agreement. The confidentiality obligations contained herein shall continue during a ten (10) year period following the delivery of the last PO to the Customer.

7. – Delivery and Transportation

Lead times and delivery dates are estimates only and do not include transportation time. Such lead times and delivery dates are based on regular and reliable forecasts provided by Customer. A delay in delivery will not result in payment of damages, nor allow cancellation of the order. All liabilities, costs and risks associated with transportation shall be borne by Customer as per EXW (Incoterms® 2010) Supplier’s place of business.

8. – Warranty - Liability

Supplier warrants that the goods sold to Customer will, at the time of shipment, be free from defects in material or workmanship. Furthermore, Supplier's warranty shall be strictly limited to compliance of the goods with the drawing issue number stated in the accepted PO or the drawing issue number in Supplier's possession at the date of shipment without any modifications. Such warranty is limited to twelve (12) months from the date of shipment to Customer or for the lifetime of the goods, whichever is the earlier. All claims related to the warranty shall be made within this time period and must be notified to Supplier within ten (10) calendar days from discovery of the defect affecting the good, or from delivery of the good if the defect is visible. The warranty shall be void where the alleged defects arise from normal wear and tear, modification of the goods, storage, negligence in the handling, and/or installation of the goods without compliance with the specifications and instructions of Supplier and/or with normal usage.

SUPPLIER MAKES NO WARRANTY THAT THE GOODS WILL BE MERCHANTABLE OR FIT FOR ANY PARTICULAR PURPOSES. SUPPLIER MAKES NO WARRANTY, EXPRESS OR IMPLIED, EXCEPT AS SET FORTH IN THESE TERMS AND CONDITIONS.

If Supplier accepts the Customer's warranty claim, Supplier's sole obligation, notwithstanding any provisions of the applicable laws, shall be, at its option, either to repair, to replace, or to reimburse the price of the good giving rise to the warranty claim.

Supplier's warranty and liability shall be subject to the lot traceability to be performed by Customer. Customer shall keep lot traceability records for the goods to ensure that lots manufactured by Supplier can be traced through Customer's manufacturing processes and/or Customer's clients and/or Customer's sub-contractors. Unless otherwise provided by law, Supplier's sole liability, in any cause of action, shall be limited to indemnifying any direct, actual, foreseeable loss incurred by the Customer, and shall not exceed the price of the good giving rise to such a claim against Supplier, Supplier shall not, under any circumstances, be liable for (i) any special, incidental or consequential damages, including, but not limited to, damage or loss of property or equipment, loss of profits or revenue, injury directly or indirectly arising from the installation or use of its goods, and (ii) any amount exceeding the liability cap agreed between Customer and its suppliers or enabled purchasers, for any damages caused in whole or in part by these Customer's suppliers or enabled purchasers.

9. Indemnity

Customer shall indemnify, defend and hold harmless Supplier and its officers, directors, employees, agents, shareholders or members (collectively "Representatives"), successors and assigns, affiliates and their respective Representatives, against any and all claims, actions, suits, liabilities, losses, damages, fines, penalties, fees, costs and expenses, including, without limitation, reasonable attorneys' fees and costs and other litigation fees, costs and expenses (collectively "Losses"), resulting from, arising out of, or in connection with (i) any claim of infringement of any patent or any other intellectual property rights in connection with the processing of any goods for Customer pursuant to Customer's instructions and specifications, regardless whether such claim is valid, (ii) designs, drawings or specifications given to Supplier by Customer for the production of goods for Customer, (iii) defective materials or products supplied by Customer to Supplier and incorporated by Supplier into goods produced for Customer, or (iv) the improper incorporation, assembly, use, processing, storage or handling of goods by Customers or its clients and sub-contractors.

10. – Price and payment

Prices are established net of tax "Ex-Works" (Incoterms® 2010) and shall be invoiced pursuant to the conditions of the Agreement. Pricing is subject to change by Supplier without notice. Payment terms are net thirty (30) calendar days from the date of invoice. Payment shall be made by wire transfer, in the currency invoiced and directly to Supplier's bank account, as per details included in the invoice. In case of any breach of such contractual terms, the total amount of the sums due by Customer shall be immediately payable. Supplier

reserves the right, at any time, to claim payment before consignment of the goods and the right to invoice the goods put at the disposal of Customer, for which the instructions for shipment would have been received.

Any delay of payment may result in the application of an interest charge on the overdue amount at an annual interest rate equal to the most recent refinancing rate of the European Central Bank increased by ten (10) points or any other interest rate as applicable in the related jurisdiction. Additionally, Customer shall be liable to Supplier for all reasonable attorney fees and costs Supplier incurs to effect collection of any invoice unpaid in whole or in part.

In addition, if Customer fails to make any payment in a timely manner, Supplier may (i) suspend all future shipments to Customer until all payments have been made, (ii) ask for adequate security for future payments (letter of credit or the like), (iii) keep all advances without prejudice of other damages and costs and/or (iv) cancel the concerned PO, and all outstanding POs, with prior written notice of Customer's failure, not being cured within the following eight (8) calendar days.

The transfer of ownership of the goods from Supplier to Customer shall be upon full payment of the invoice.

11. – Assignment

Customer may not assign the Agreement to a third party without the prior written consent of Supplier. The Agreement may be assigned by Supplier at any time and following such assignment Supplier shall have no further obligations hereunder.

12. – Force Majeure

Supplier will not be liable for any delays or failure to perform any obligations under the Agreement, if the performance of the same is partly or wholly delayed, prevented or hindered by an event beyond its control, which could not have been reasonably foreseen at the signature of the Agreement, and whose effects cannot be avoided, such as but not limited to accidents, labor disputes or disruptions, strikes, shortages of labor, materials, fuel or power, fires, floods or other acts of God, embargoes, acts of terrorism, civil or foreign war, acts or omissions of Customer, restrictions imposed by law or any rules or regulations thereunder, priorities required, requested or granted for the benefit of the government or any other matter beyond Supplier's control.

13. – Termination

In the event Customer breaches any of its obligations or fails to make payments in a timely manner as required by the terms of the Agreement, and Customer does not provide security for future payments to the satisfaction of Supplier, or in the event of a change of control of Customer, or if Customer is subject to bankruptcy or similar action or becomes insolvent, Supplier may terminate part or all of the accepted PO placed under the Agreement.

14. – Compliance with applicable laws

Customer shall comply with all applicable laws, directives and regulations, particularly with, but not limited to, anti-bribery and corporate duty of vigilance, including the Supplier's Anti-Bribery Code of Conduct and with the support of a whistleblowing open line (www.lisi-group.com). Customer understands and agrees that goods sold and any technical data or services provided hereunder may be subject to export and other foreign trade controls restricting resales and/or transfers to other countries and parties, including, but not limited to, licensing requirements under applicable laws and regulations of the United States or countries in Europe. Notwithstanding anything to the contrary in the Agreement, Customer agrees that no goods, technical data or services provided hereunder will be sold, reexported or transmitted

except in full compliance with all relevant laws and regulations. Customer agrees to and does assume all responsibility for obtaining any required licenses related to the export or reexport of the goods, technical data or services, including any licenses for their export from and their import into any country.

Any violation of this Section, as determined solely by Supplier, shall be deemed a material breach of this Agreement and Supplier may terminate any and all of its obligations under this Agreement.

15. – Choice of Jurisdiction and venue

Any dispute arising out of or in connection with the PO and/or the Agreement shall be submitted to the Courts of Supplier's registered office, which shall have sole jurisdiction, regardless of the place of delivery, even in case of claims for indemnities or in case of plurality of defendants.

The Agreement shall be governed by and construed in accordance with the laws of the country of Supplier's registered office, excluding those relating to choice or conflict of laws and excluding the United Nations Convention on Contracts for the International Sale of Goods.