

# TUAG 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 TUAG.

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

- excluding any other general or specific Customer purchasing conditions, unless otherwise specified in writing beforehand and accepted by TUAG ;
- unless there are provisions to the contrary in said contract or Order.

These General Sales Conditions have been submitted to Customer acceptance, therefore without reservation any order placed by the Customer implies express acceptance of these General Sales Conditions.

## 2 DEFINITIONS

The following definitions apply to these General Sales Conditions, whether they are used in the singular or plural form :

"Customer" means any corporation, natural or legal person who purchases Goods and/or Services from TUAG.

"Customer Goods" means any Goods supplied by the Customer within the framework of a Services (see Article 13).

"Customer Portal" means Safran Helicopter Engines' website: <https://tools.safran-helicopter-engines.com/pg/en/home>.

"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 TUAG.

"GSC" means these General Sale Conditions.

"Order" means any order for Goods and/or Services issued by the Customer to TUAG and any Sales Proposal accepted by the Customer.

"Party" means TUAG and/or the Customer.

"SAFRAN HELICOPTER ENGINES" refers to SAFRAN HELICOPTER ENGINES company and/or SAFRAN HELICOPTER ENGINES sites.

"Sales Proposal" means any estimate, quotation or costed proposal issued by TUAG.

"Services" means any maintenance, repair, overhaul, rental or standard exchange service, or any other service (including the supply of Goods if applicable) provided by TUAG and/or SAFRAN HELICOPTER ENGINES.

"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 TUAG or SAFRAN HELICOPTER ENGINES. The standard exchange implies the transfer of ownership.

"Supplier" means either SAFRAN HELICOPTER ENGINES, as an Original Equipment Manufacturer (OEM) or its suppliers.

"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 or repair, even if it is operating correctly. After overhaul, its full TBO (hourly or calendar) will be restored. After repair only calendar time will be restored.

"Technical documentation" means any documentation delivered with any aircraft equipped with one or more SAFRAN HELICOPTER ENGINES 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.

"TUAG" refers to TRIEBWERK UNTERHALT AG

## 3 ISSUANCE AND ACCEPTANCE OF ORDERS

### 3.1 GENERAL

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

The written acceptance of a Sales Proposal by the Customer, or of an Order by TUAG, formalized by an acknowledgement of receipt, creates the sales contract.

Orders can be placed in writing by letter, fax or E-mail, or by the Customer Portal or by phone in which case the Order must be confirmed in writing within a maximum deadline of 48 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:

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

Any modification to an Order or contract in progress is subject to prior written agreement between the Parties, which shall be formalized by an amendment to the Order or contract.

### 3.2 ACKNOWLEDGEMENT OF RECEIPT

TUAG acknowledge receipt of an Order from a Customer in writing and within twenty (20) working days following receipt of said Order. No response from TUAG does not constitute acceptance of the Order.

TUAG can express reservations about said Order, which must be formalized by the Customer by an amendment to said Order. Orders for Goods or Services amendments will only come into force after written acknowledgement of receipt from TUAG.

### **3.3 MINIMUM ORDER**

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

The minimum Order amount is three hundred (300) CHF or two hundred and fifty euros (250) 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**

TUAG 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 acknowledgement of receipt of an Order must indicate the new part number, the price, the delivery lead time and interchangeability, as well as minimum quantities of sale.

## **4 PRICES**

### **4.1 GENERAL**

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

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

- Prices are in CHF or EUROS.
- Not including taxes: unless otherwise indicated, the prices do not include any taxes, charges, duties or fees including withholding taxes that could be levied in conjunction with the sale, delivery or use of Goods, or the execution of Services.
- FCA SAFRAN HELICOPTER ENGINES premises (ICC Incoterms® 2010).
- 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 five (5) 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 accepted by TUAG 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 acknowledgement of receipt of said Order by TUAG.

For any delivery of Goods or supply of Services that is made after this twelve (12) months period, the prices will be updated according to the economic conditions of the year of delivery.

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), TUAG 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 Catalogue from July 1<sup>st</sup>. The new price will be communicated to Customer in the acknowledgement of receipt between July 1<sup>st</sup> and December 31<sup>st</sup>.

For supply of Goods, the prices are deemed to be firm pursuant to the provision above; for performance of Services, the prices are indicative and may vary according to technical assessment of the Material.

### **4.3 PROVISION OF SERVICES: TARIFF CONDITIONS**

Services are carried out at a SAFRAN HELICOPTER ENGINES-approved and qualified repair or overhaul center.

Additional expenses such as storage, conditioning, transport, insurance, customs duties, transit, taxes, authorities inspection, are borne by the Customer.

Unless otherwise provided, Services Sales Proposals are valid for thirty (30) days and are subject to Customer acceptance formalized by the placement of an Order.

Should additional work necessary given the real condition of the Goods be identified during performance of Services, an updated Proposal shall be issued by TUAG and will be submitted to Customer acceptance via an amended Order prior to performance of these Services by TUAG.

#### **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.

If the agreement on the Sales Proposal is given after the validity date of said Sales Proposal, additional charges may be invoiced in addition to the payment for the Service indicated on the estimate.

TUAG and/or SAFRAN HELICOPTER ENGINES overhaul quotation 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.

#### **4.3.1.1 MODULAR ENGINES**

TUAG quotation includes a fixed price for labor (including disassembly, cleaning, inspection, assessment, balancing and reassembly and not including reworking) and a fixed price for acceptance testing.

#### **4.3.1.2 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 SAFRAN HELICOPTER ENGINES, reassembly, bench testing (including fuel and consumables), fine-tuning, equipment installation, finishing and TUAH and/or SAFRAN HELICOPTER ENGINES inspection.

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

#### **4.3.2 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® 2010, at such time and under such conditions as have been agreed by the Parties.

Notwithstanding the Retention of Title clause provided in Clause 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 - SAFRAN HELICOPTER ENGINES Plant (ICC Incoterms® 2010)

The acceptance of Goods or Services by the Customer will be deemed complete:

- for Goods: upon the date of delivery in compliance with the applicable Incoterm
- for Services: upon the date on which the invoice is issued by TUAG.

TUAG will provide the Customer with the official compliance certificates, which will be deemed to be an acknowledgement by the Customer that Goods are compliant.

All Goods returned by the Customer must be delivered within the specified leadtime in the original packaging or box in which they were delivered by TUAG 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 schedule provided in the Order or in the contract.

The delivery lead times will be confirmed by TUAG 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 TUAG, these delivery lead times do not include the time required for the Customer to send the missing part or for TUAG 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 to TUAG, within the framework of a rental, within a maximum deadline of ten (10) Days as from the provision by TUAG of the Goods delivered in Standard Exchange, rented or repaired as the case may be.

#### **5.2.3 Late Delivery Penalties :**

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

If the Goods to be returned to TUAG is not delivered within fifteen (15) Days, a daily fee (starting from the first Day of delay until the effective delivery) shall be charged to the CUSTOMER as follows:

- For Engines and Modules: three hundred CHF (CHF 300) or two hundred and fifty Euros (EUR 250)
- For Accessories (FCU, HMU, FADEC): eighty four CHF (CHF 84) or seventy Euros (EUR 70)

Should the Customer fail to return the Goods or the Customer Goods within forty five (45) Days from the delivery by TUAG to the Customer of the Good under a Standard Exchange, rented or repaired, then such delay shall be deemed to be a refusal of delivery by the Customer.

In this case, TUAG shall be entitled to invoice to the Customer as a fixed indemnity the spare price of the Good which is not returned, in accordance with the SAFRAN HELICOPTER ENGINES Catalogue in force at the date of the invoice. Such TUAG right shall be in addition to the right of TUAG to claim for penalties for late delivery or late payment.

### **5.3 VERIFICATION AND EXPRESSION OF RESERVATIONS**

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, within twenty four (24) hours, send by email a copy of the delivery note or AWB, showing these reservations, to TUAG. 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 has a period of three (3) days from the date of delivery in which he shall state any reservations.

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.

Delayed delivery will not give a right of cancellation of the affected Order, nor will it allow any deviation from payment terms.

TUAG shall be excused from compliance with agreed lead times for deliveries, which may be extended by TUAG 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 TUAG 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".

The agreed lead time for delivery or supply of Goods will be extended for so long as and to the extent that SAFRAN HELICOPTER ENGINES 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 TUAG so as to comply with National Civil Aviation Authorities' regulations.

Mandatory modifications requested by the Official 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 TUAG, without TUAG giving compensation to the Customer, even if these modifications lead to an extended delivery lead time or additional costs.

In addition, without prejudice to its obligation to comply with the Order, TUAG 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, TUAG 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 SAFRAN HELICOPTER ENGINES (Service Letters and Service Bulletins). TUAG 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 SAFRAN HELICOPTER ENGINES.

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

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

Similarly, any modifications incorporated by the Customer without TUAG prior written approval, will release TUAG from its warranty obligations.

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 TUAG if based on an incident or accident which is as a result of non-compliance with this clause.

## **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, TUAG 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:

- Not to 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 TUAG 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,
- To 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 TUAG 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 is not obtained, if there is a delay in obtaining it, or if it is obtained and then later revoked or not renewed, this will be considered as a force majeure event as per article 14 and no claim can be made against TUAG by the Customer.

## **8 PAYMENT**

### **8.1 TERMS OF PAYMENT**

Unless specific provision in the contract or in the acknowledgement of receipt of the Order, and without prejudice to the provisions of article 4.3, the Customer will pay TUAG a down payment of thirty percent (30%) of the amount of the Order, which is payable within thirty (30) Days from the issuance date of the acknowledgement of receipt of the Order.

Balance payment will be made to TUAG by the Customer before Goods shipment.

TUAG reserves the right to modify the terms of payment without prior consent to the Customer in the event that the Customer does not pay an amount owed, or if, in TUAG's opinion, the Customer's financial situation justifies such a modification. This modification will be brought to the Customer's attention in writing.

At the same time and at its discretion, TUAG can suspend or stop delivery without the Customer being entitled to compensation.

Any overdue payments that are owed by the Customer cannot be compensated for with sums that may be owed to the Customer by TUAG.

The Customer must indicate the invoice reference corresponding to a payment.

Unless otherwise stipulated in the acknowledgment of receipt of the Order or in the contract, the payments are made by the Customer by bank transfer to TUAG's account, the references for which are indicated in the contract or the acknowledgement of receipt for the Order.

### **8.2 EARLY PAYMENT**

TUAG 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**

Without prejudice to Clause 9 "Retention of Title", in the event that payment is not received in full on the agreed due date, the Customer will be subject to a penalty for late fulfillment of payment of eight percent (8%) per year that is calculated on the basis of the total amount (including taxes) of the invoice, to be counted from the date of payment indicated on the invoice until full payment of the invoice is made.

In addition, in case of late payment, a fixed amount of fifty CHF (50) or forty (40) Euros will be charged automatically to the Customer to cover debt collection costs. In case said debt collection costs exceed fifty CHF (50) or forty (40) Euros, TUAG shall be entitled to reimbursement of these costs when duly documented.

## **9 RETENTION OF TITLE**

TUAG retains ownership of the delivered Goods until the corresponding entire price and its accessories have been fully paid and received by TUAG in accordance with Clause 8 "Payment", as stipulated in the contract or the Order.

The Customer recognizes that this clause is drawn up in the spirit of the retention of title clause, as defined in the Swiss applicable legislation.

Remittance of a negotiable instrument containing a promise to pay at a deferred due date is not a payment within the meaning of this clause.

If the Customer has failed to pay a single fraction of the price by the agreed due date and such default has not been rectified within fifteen (15) Days following a formal notice by registered letter with acknowledgement of receipt, TUAG reserves the right to terminate all or part of the Order by simply notifying the Customer by registered letter, specifying that TUAG is availing itself the benefit of this clause and claims back the Goods delivered. All correspondence mentioned in this article will be sent with acknowledgement of receipt and referring to this article.

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

TUAG 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.

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 TUAG due to the termination of the sale. Down payments made may also accrue to TUAG and may be offset against any amounts still owed by the Customer.

If the Customer goes into receivership or liquidation, or in the event of any other measure of equivalent effect, Goods may be claimed back in the following month from the opening of the procedure according to the terms set out by the law.

Since the Goods remain the property of TUAG, until payment for them and their accessories is received in full, the Customer shall forbear from transforming them before such payment is made. However, without prejudice to Clause 18 "Transfer To Third Parties" and Clause 7 "Authorization/Export License" herein, TUAG authorizes the Customer to resell the Goods provided that the latter binds its own Customer by the same retention of title clause.

Authorization for resale is automatically cancelled in the event of receivership or liquidation, or of any other measure of equivalent effect.

By accepting the deliveries and/or related documents, the Customer confirms its acceptance of these GSCs, including this Clause in particular.

## **10 CONTRACTUAL WARRANTY**

All delivered Goods designed and manufactured by SAFRAN HELICOPTER ENGINES are guaranteed to be free from defects in materials, design and manufacturing, and compliant with the Order or under the specific warranty conditions drawn up for each family of products and attached to the contract or available in SAFRAN HELICOPTER ENGINES Customer Portal (<https://tools.safran-helicopter-engines.com>).

MOREOVER, THE CUSTOMER IS NOTIFIED THAT THE USE OF SPARE PARTS THAT ARE NOT AUTHORIZED BY SAFRAN HELICOPTER ENGINES 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.

IN THESE CASES, THIS WARRANTY WILL BE NULL AND VOID.

## **11 TERMINATION OF ORDER OR CONTRACT**

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

Upon receipt of notification of termination from the Customer, TUAG 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.

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

### **a) At the Customer's expenses:**

- the sums owed to TUAG by the Customer, i.e. all expenses, increased by five percent (5%), incurred by TUAG 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 TUAG less than six (6) months before the planned delivery date indicated in the Order or contract, TUAG 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 down payments or payments to settle the balance.

For the liquidation of the Order or contract, TUAG 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, 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 TUAG under the terms of the termination agreement.

If a period of six (6) months has elapsed from the date on which the Equipment was made available to the Customer without the Customer having taken delivery of it, TUAG shall have a right of retention on the outstanding claims in accordance with Art. 895 et seq. of the Swiss Civil Code (SCC) in respect of the aircraft, its parts and the equipment. In addition, there is a lien on the aircraft according to Art. 884 ff. TUAG is entitled to make private use of the aircraft after giving notice and a grace period of 30 days.

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

TUAG reserves the right to refuse to enter certain 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 TUAG 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.

TUAG will inform in writing the Customer of its decision to discard the Goods and will send to the Customer a Sales Proposal.

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

### a) To recover its Goods

- In this case, the Customer must send an explicit written request for the return of the Goods, in which he/she undertakes not to reinstall the Goods in question on a helicopter and not to resell the Goods to a third party. TUAG can only return the Goods after receiving this written request from the Customer;

- TUAG and/or SAFRAN HELICOPTER ENGINES 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, SAFRAN HELICOPTER ENGINES 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.

- TUAG returns said Goods to the Customer according to the Incoterm FCA-agreed location (ICC Incoterms® 2010), not repaired and accompanied by its documentation.

### b) Not to recover its Goods

- TUAG requests the Customer's written consent to transfer ownership to TUAG of the Goods in question free of charge;

- The Customer can either:

- Send its written consent at TUAG's request;
- Or accept the sales estimate listing the Goods that are to be discarded by TUAG and/or SAFRAN HELICOPTER ENGINES. Acceptance of the sales estimate then includes implicit consent to transfer ownership from the Customer to TUAG for the purpose mentioned;

- TUAG 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 TUAG and/or SAFRAN HELICOPTER ENGINES, 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 TUAG, these Goods will be declared to be unserviceable in their current condition.

### a) If the Customer does not accept the estimate issued by TUAG

- The Goods are stored by TUAG or SAFRAN HELICOPTER ENGINES, 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 TUAG to collect the Goods within fifteen (15) Days of its refusal for the repair to be carried out;

- At the end of this period, if the Goods have not been collected, TUAG will send the Customer a document proposing a transfer of ownership of the Goods to TUAG free of charge;

- When the Customer sends the signed document back to TUAG, the latter is free to do as it wishes with it;

- If the Customer does not return the signed document, TUAG shall be entitled to make private use of it after giving notice and setting a grace period of thirty (30) days.

### b) If the Customer does not respond to the proposed estimate from TUAG

- At the end of a period of two (2) months after the Customer has received TUAG's Sales Proposal, TUAG will send the Customer a document proposing a transfer of ownership of the Goods to TUAG free of charge;

- If the Customer does not return the signed document, TUAG shall be entitled to make private use of it after giving notice and setting a grace period of thirty (30) days.

## 13 SERVICES

### 13.1 GENERAL

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

As for Goods manufactured by SAFRAN HELICOPTER ENGINES, all repair Services shall be carried out in compliance with Goods repair or replacement procedures in force at SAFRAN HELICOPTER ENGINES. In some cases, the Customer may make a written request to TUAG to derogate from said procedures in order to apply another procedure approved by the relevant airworthiness authority. In such event, the Customer releases TUAG from all liability, regardless of its nature or cause.

TUAG 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 TUAG

The supplies, as well as the repairs / modifications to Goods delivered and/or carried out by TUAG are performed under EASA servicing certification (Part 145).

The Goods provided within the framework of an Order or contract comply with E.A.S.A Part 145 regulations, issued by the F.O.C.A (Federal Office of Civil Aviation) and under EASA (European Aviation Safety Agency) surveillance or any other airworthiness authority of the Customer's jurisdiction to the extent of certifications held by TUAG.

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 TUAG Sales Proposal, the Customer certifies 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 TUAG that the Goods have not suffered any stress, accident or other unusual damage,
- inform TUAG 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 TUAG and/or SAFRAN HELICOPTER ENGINES. Any late delivery of Customer Goods authorizes TUAG to use any other Goods as replacement at the Customer's expense.

### **13.2 REPAIR CENTER PROCEDURES**

Upon receiving Goods at a repair Centre, TUAG 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.

### **13.3 TRAINING**

TUAG can provide, on the premises of its SAFRAN HELICOPTER ENGINES 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.

The Customer and its insurers relinquish any form of action against TUAG and/or SAFRAN HELICOPTER ENGINES, its personnel and insurers, as a result of any and all risks or damage which may occur during the training sessions.

### **13.4 ON-SITE TECHNICAL ASSISTANCE – SECONDMENT OF TUAG PERSONNEL**

Upon the Customer's request, TUAG 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 TUAG price in force.

TUAG 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.

Unless a case of gross negligence being committed by TUAG personnel, TUAG cannot be held responsible by the Customer for damage caused to the latter's property or that of a third party during the execution of this technical assistance. Consequently, the Customer relinquishes any form of action against TUAG, its personnel and its insurers concerning any potential damage.

## **14 FORCE MAJEURE**

TUAG 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 an occurrence that is beyond TUAG's reasonable control.

The following are considered to be cases of force majeure: natural disasters, fire, flooding, explosions or earthquakes, serious accidents, state-implemented measures, airworthiness directives, war, acts of terrorism and riots, epidemics, work stoppages, strikes, lock-outs, accidents involving tools or any other kind of accident, shortages of raw material, unavailability of supplies necessary for manufacture, rejection of an important part, the breakdown of machinery, stoppage of motive force and any other cause entailing a slowing and/or stoppage in production at SAFRAN HELICOPTER ENGINES, its Suppliers or its sub-contractors, the failure or delay of any supplier or sub-contractor leading to a delay in production or delivery of Goods, interruptions or delays in transport, the refusal, withdrawal or the reduction of export licenses, act of government and exchange control measures.

TUAG will inform the Customer in writing as soon as possible in the event of such an occurrence, which result in the execution of TUAG's obligations being suspended. The time for performance shall be extended for a period equal to the time lost by reason of the force majeure event.

In case of the force majeure event lasts more than one hundred twenty (120) Days, TUAG shall be entitled to terminate the order or the contract by serving a thirty (30) Days prior written notice of termination to the Customer without incurring any liability whatsoever.

## **15 CONFIDENTIALITY**

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

The duration of the obligation for confidentiality is twenty (20) 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 TUAG 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 care that it would give to its own Confidential Information of the same importance,
- To only disclose it to the employees who need to know the information, and who are duly informed of the confidential nature of this Confidential Information,
- not to use the information, either totally or partially, for any purpose other than the execution of the Order or contract,
- not to disclose the information, either directly or indirectly, to any third parties or to any persons other than those mentioned in sub-paragraph b) above, without TUAG's prior written agreement and providing that the third-party beneficiary, undertakes, beforehand and in writing, to the Customer, (who remains accountable to TUAG for the third-party beneficiary's compliance with said obligations), to the same confidentiality obligations as those contained in this clause.
- not to copy, reproduce or duplicate, either entirely or partially, the information without TUAG's prior written agreement,
- To return the information immediately to TUAG 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.

## **16 INTELLECTUAL PROPERTY**

The Parties recognize that, in the framework of the execution of the Order or contract, TUAG 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 TUAG prior written agreement is strictly prohibited. Non-compliance with this clause will result in a prejudice to TUAG for which TUAG will reserve the right to ask the Customer for compensation.

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

## **17 ETHICS**

The Customer solemnly declares that:

- It has not infringed any anti-corruption laws or regulations,
- It has not been subject to any civil or criminal sanctions, in Switzerland or abroad, for infringement of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against it,
- To the best of its knowledge, no executive or manager of its company has been subject to any civil or criminal sanctions, in Switzerland or abroad, for infringement of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against such persons.

The Customer warrants that :

- It complies and shall comply with the legal provisions against corruption in accordance with the OECD Convention of 1997 and the United Nations Convention Against Corruption of 2003 (UNCAC),
- It has not granted and shall not grant, directly or indirectly, any gift, present, payment, remuneration or benefit whatsoever (trip, etc.) to anyone with a view to or in exchange for the conclusion of a contract and/or an Order.

The Customer shall notify TUAG of any gift, present, payment, remuneration or benefit whatsoever that it might grant either directly or indirectly to any employee, officer or representative of the TUAG or to anyone that might influence their decision within the framework of the performance of a contract and/or an Order.

In the event of failure to comply with this clause, TUAG shall automatically have the right to terminate the contract and the Orders in progress with immediate effect and without compensation, and without prejudice to any remedies TUAG may take against the Customer.

## **18 TRANSFER TO THIRD PARTIES**

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

## **19 CONTRACTUAL LIABILITY**

TUAG liability for any claim(s) arising out of or in connection with the performance, non performance or defective performance of an Order or the contract shall be strictly limited to the compensation of direct damages (regardless of its nature) which compensation shall not exceed the limit of five percent (5%) of the amount invoiced under an Order for all claims arising under such Order subject to an aggregate limit of five percent (5%) of the total amount invoiced under the contract for all claims arising under such contract.

The provisions of this clause constitute the Customer's sole rights and remedies and TUAG's sole liability.

Within the framework of Goods supplied by the Customer pursuant to Article 13 hereof, the Customer releases TUAG from all liability whatsoever if the Customer Goods include counterfeit parts or Services not authorized by TUAG and/or SAFRAN HELICOPTER ENGINES.

## **20 INSURANCE**

The Customer shall subscribe and maintain in force, at its own expense, all necessary insurance policies from a reputable insurance company (in particular an aircraft third party liability insurance, a product liability insurance and a custody insurance) for a sufficient amount to cover

all risks and liabilities that may incur regarding either statutory law or contractual obligations. The all risks coverage must be of a sufficient amount to cover the value of the Goods as new until full payment is received.

Upon TUAG request, Customer shall provide the relevant certificates of insurance specifying the type of coverage, the amount of coverage in effect and the expiry date.

Furthermore, these policies must stipulate that the insurance company waives its right to make any claim against TUAG or TUAG insurers.

The insurance company cannot hold TUAG responsible for any lapses in policies that are due to Customer error.

## **21 APPLICABLE LAW**

The Orders and contracts are governed by and construed in accordance with Swiss Law. They shall only be interpreted and executed according to Swiss Law, excluding its conflict of laws rules.

International transactions shall not be governed by the Vienna Convention on Contracts for the International Sale of Goods, dated 11 April 1980.

Any dispute arising between the Parties concerning the execution, failure to execute or incorrect execution of an Order or contract that cannot be settled amicably within two (2) months following the written notification by one of the Parties to the other of the reasons for the dispute, will be submitted to the courts of Bern which shall be the only competent court to have jurisdiction over the dispute, including in the event of impleader and plural defendants, and even for urgent or protective procedures, as summary proceedings or by petition.

NAME OF THE CUSTOMER:

NAME OF THE SIGNATORY:

TITLE:

DATE:

SIGNATURE:

STAMP OF THE CUSTOMER: