
Airbus Americas
General Terms of Purchase (“Terms”)

1. **Definitions and Interpretation.**

Unless otherwise defined, capitalized terms used in these Terms shall have the meaning set out below:

“*Airbus*” means Airbus Group S.E. and its affiliates and their respective successors, collectively.

“*Airbus Company*” means any entity comprising Airbus.

“*Aircraft*” means Buyer’s aircraft products and all variants and derivatives thereof, in which an Item is or could be incorporated.

“*Aviation Authority*” means, with respect to any Aircraft or Item, the governmental authority having the jurisdiction to approve the design, manufacture and airworthiness of such Aircraft or Item.

“*Buyer*” means, with respect to any Order, the Airbus Company that has placed such Order.

“*Item*” means any goods, material, work or service identified in an Order.

“*Operator*” means, with respect to any Aircraft or Item, any company, individual, government or entity having lawful ownership or lawful possession of such Aircraft or Item.

“*Order*” means the Specific Terms, these Terms and any attachments, schedules, Specifications or other documents that are incorporated by reference to either thereof and any amendments to any of them.

“*Party*” means Buyer or Supplier.

“*Specification*” means the requirements defining the Item, if any, issued by Buyer.

“*Specific Terms*” means the terms negotiated and agreed between Buyer and Supplier.

“*Supplier*” means, with respect to any Order, the company, person or entity upon which such Order is placed, as specified on the front of such Order.

“*Terms*” means the terms of purchase set out herein.

Supplier will be provided, upon request, with any document related to the Order referred to herein.

Section headings herein are inserted for convenience of reference only and shall not affect the interpretation of these Terms. The definition of a singular term in this Section 1 will apply to plurals of the same words. References in these Terms to an exhibit, schedule, article, section, subsection or clause refer to the appropriate exhibit or schedule to, or article, section, subsection or clause in these Terms. Each document or agreement defined in this Section 1 includes all appendixes, exhibits and schedules thereto and references in these Terms to such document or agreement shall be to such document or agreement as so amended, restated, supplemented or modified.

References in these Terms to any law, statute or regulation will be to such law, statute or regulation as amended or modified and in effect at the time any such reference is operative.

The term “including” when used in these Terms, means “including without limitation” except when used in the computation of time periods.

2. **Exclusive Terms.** These Terms, together with all Specific Terms, are the only terms upon which Buyer will accept goods or services from Supplier and Buyer shall not be bound by, and hereby rejects, any different or additional terms and conditions proposed by or purported to apply by Supplier, whether stated on any Supplier quote or proposal or acknowledgement of an Order and whether communicated by Supplier at the time of accepting an Order, starting work, delivering an Item or included in any other document.

3. **Order and Order Acceptance.** Either Supplier's written acknowledgement or Supplier's full or partial performance, whichever occurs first, will constitute acceptance of an Order. If Supplier expressly refuses an Order, it shall be deemed withdrawn. Buyer may withdraw from any negotiations at any time prior to acceptance of an Order by Supplier and shall incur no liability whatsoever.

4. **Precedence.** In the event of any conflict between documents forming part of an Order, they shall be interpreted in accordance with the following order of precedence (i) the Specific Terms; (ii) these Terms; (iii) the Specification; and (iv) any other documents.

5. **Inspection.** Buyer, the Aviation Authority and the Operator(s), as applicable, shall be entitled to inspect each Item at Supplier's facilities and Supplier shall grant access to Buyer, the Aviation Authority and the Operator(s) to its facilities and ensure access to the facilities of its suppliers and subcontractors, if any, at reasonable times.

6. **Delivery and Acceptance.**

(a) **Customs & Import Requirements.**

(i) If Buyer is located within the European Union, then, if Supplier is also based within the European Union, it shall import all material/components purchased from outside the European Union free of duty and value added tax under inward processing relief (or other customs regime with the same effect), supply the Item to Buyer free of duty and confirm the same in writing to Buyer and it hereby indemnifies Buyer, and will indemnify and defend Buyer and hold it harmless, in each case, from and against any consequences of its non-compliance with this Section 6(a)(i).

(ii) If Buyer is located within the United States ("U.S."), then:

(x) If the Order is placed to Supplier's location within the U.S., Supplier must dispatch the Order from a location within the Customs Territory of the U.S. when making final delivery to Buyer, unless explicitly agreed with Buyer at the time of the Order.

If Buyer accepts final dispatch from a location outside of the U.S., all obligations regarding importer-of-record, customs clearance, and payment of any duties and taxes must be clearly agreed in writing. Incoterms and other general trade terms alone will be considered insufficient to satisfy this requirement; and

(y) If the Order is placed to Supplier's location outside of the U.S., Supplier must comply with all requirements set forth by Buyer regarding Customs requirements, including but not limited to Airbus Documents A1087, M1187.0 and M1187.1. These documents are available on the AirbusSupply portal (<https://w3.airbus.com/airbussupply>).

(iii) Supplier shall comply with all relevant import and export laws and regulations in each country of shipment, transshipment, and delivery.

(iv) Supplier shall indemnify and defend, and hold Buyer harmless from and against all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with violations of import and export laws and regulations of any country, by Supplier or its agents, sellers or subcontractors at any tier.

(v) Unless Supplier and Buyer agree that Buyer shall act as importer-of-record, Buyer shall not be a party to any import declarations or formalities, nor shall Supplier cause or permit Buyer's name to be indicated as importer-of-record on any customs declarations or shipping documentation.

(vi)

(x) Supplier shall cooperate with Buyer to review eligibility of materials, products or services for any special trade program for Buyer's benefit and provide Buyer with any required documentation to support customs programs that allow duty-free or reduced-duty entry of materials or products into the destination country; and

(y) Supplier shall cooperate with any verification audit or on-site inspection at the Seller's facilities requested by Buyer or Buyer's customs authorities to verify compliance with applicable trade agreements.

(vii) Supplier will provide safety data sheets (MSDS/SDS) in English for all chemical substances and mixtures. Upon request, Supplier shall provide the chemical composition of the Items and any other relevant information regarding the Items, including without limitation, test data and safe use and hazard information. For shipments of Orders for such substances and mixtures, Supplier certifies that the import and use of the Items in the location(s) where the Items are delivered complies with applicable chemicals legislation. Supplier covenants that chemical substances delivered hereunder do not contain any chemicals that are restricted or otherwise banned by, or that do not fully comply with, the U.S. Toxic Substances Control Act of 1976 (15 U.S.C. §2601 *et seq.*).

(viii) Supplier warrants that all sales made under any Order are or shall be made at no less than fair value under Subtitle IV of the Tariff Act of 1930 (19 U.S.C. §1671 and §1673), and will comply with all similar laws of the jurisdictions in which Supplier may fulfill Orders to Buyer.

(ix)

(w) Supplier shall review its supply chain security procedures and certifies that its security procedures and their implementation are in accordance with the general security recommendations established by U.S. Customs and Border Protection (<https://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism/apply/security-criteria>) or mutually-recognized supply chain security programs in the country of delivery (*e.g.*, Authorized Economic Operator for Security program of the European Union, the Canadian "Partners in Protection", *etc.*).

(x) Shipments shall be with transportation companies that are certified by the Customs-Trade Partnership Against Terrorism, unless otherwise approved by Buyer; or, in the case of non-U.S. transportation providers, such transportation providers must be active members of a mutually-recognized supply chain security program sponsored by the government of the country of shipment.

(y) Supplier shall ensure the physical integrity and security of all shipments against unauthorized access or introduction of material. Supplier shall notify Buyer of any known or suspected security breach affecting any shipment hereunder or Order.

(z) Upon prior written notice, Buyer or its designee may audit all relevant documents of Supplier and its subcontractors and visit Supplier's and its subcontractors' premises in order to verify compliance with the supply chain security programs in which it participates or intends to participate.

(b) **Packaging.** Unless otherwise specified in the Order, the Item shall be packed in accordance with the latest Airbus requirements (M20144), as provided to the Supplier upon request. Packaging shall be convenient, safe, robust, eco-efficient and cost-optimized to ensure the transport and storage of each Item in an undamaged and serviceable state. Each Item shall be delivered with all applicable documentation and with a delivery note in

duplicate bearing the Order number, Item description, country of origin and item reference numbers, the place of delivery and the delivered quantities. Such documentation shall be attached inside and outside the packaging.

(c) **Delivery – Title and Risk.**

(i) Delivery shall be made in accordance with the requirements specified in the Order and time shall be of the essence in relation to the delivery dates so specified. No delivery of an Item shall take place without prior qualification of Supplier and the Item by Buyer, unless specifically authorized in writing in advance by Buyer.

(ii) Title to and risk in each Item shall transfer to Buyer upon delivery to the delivery address specified in the Order. If Buyer notifies Supplier that an Item has been rejected due to non-compliance by Supplier with the terms of the Order, title to and risk in such Item shall automatically revert to Supplier.

Supplier shall not acquire any legal or beneficial interest in any property supplied to it by Buyer for performance of work on the Order. Any such property possessed or controlled by Supplier shall be held at Supplier's risk, stored and booked separately from other property, maintained at Supplier's expense, clearly marked as "Airbus property" and only used by Supplier for the performance of the Order. At the request of Buyer or on completion of the Order, such property shall, unless incorporated into an Item, be returned promptly to Buyer. On reasonable written notice to Supplier, Buyer may enter Supplier's premises to recover any such property.

(d) **Acceptance.**

(i) The transfer of title and risk does not constitute acceptance of an Item by Buyer. All Items are subject to Buyer's right of inspection, count, testing, acceptance and/or rejection arising under the Specific Terms or at law. Payment for Items delivered hereunder shall not constitute acceptance thereof, and all payments against documents shall be made with a reservation of rights by Buyer for defects, including, without limitation, defects apparent on the face thereof. The making of, or failure to make, any inspection or acceptance of any Item shall in no way impair Buyer's right to reject nonconforming Items or to avail itself of any other remedies to which it may be entitled.

(ii) If any Item is not delivered in accordance with the Specific Terms, Buyer shall inform Supplier in writing. Then Buyer may at its sole discretion, exercise the following rights:

- (x) reject such Item in whole or in part and require Supplier to refund any payment(s) made by Buyer to Supplier in respect thereof; or
- (y) set off the amount of any such payment(s) from any other amounts due to Supplier from Buyer; or
- (z) give notice to Supplier to promptly replace or repair such Item at Supplier's expense and risk.

In addition, Buyer may require Supplier to pay all Buyer's expenses, damages, losses incurred and additional costs arising from the failure to deliver such Item in accordance with the Specific Terms.

(e) **Subcontracting.** No substantial part of the work on any Order may be sub-contracted by Supplier without the prior written consent of Buyer and, whether or not such consent is given, Supplier shall remain fully responsible for the performance of its obligations under such Order and shall ensure that its subcontractors comply with all provisions of the Order relevant to any subcontracted work.

7. **Price and Payment.**

(a) **Price.** Prices are fixed and firm and shall be based on the delivery of the Item to the place specified in the Specific Terms of the Order. No additional charge shall be made by Supplier for packing, insurance or delivery unless otherwise specified in the Specific Terms and any such charge shall be separately identified in Supplier's invoices. Where no prices have been agreed in the Specific Terms at the date of the Order, but a commencement of work on the Order by Supplier is agreed by Buyer, an invoice in respect of such work shall not be submitted by Supplier before the price has been agreed by the Parties.

(b) **Taxes.** Prices include, and Supplier is liable for and shall pay, all taxes, impositions, charges and exactions imposed on or measured by the Order except for applicable sales taxes that are separately stated on Supplier's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption. To the extent that Buyer is required to do so under applicable law or tax regulations, Buyer may deduct from any payments due to Supplier pursuant to an Order such taxes as Buyer is required to withhold from such payments and pay such taxes to the relevant tax authorities; provided, however, that Buyer provides Supplier with relevant tax receipts or other suitable documentation evidencing the payment of such taxes promptly after such taxes are paid.

(c) **Invoices.** Supplier shall issue an invoice to the attention of Buyer's accounting department at the location specified in the Specific Terms. Each invoice shall include the designation, reference and quantity of Items, the Order and item numbers, the price, the actual delivery date, names and addresses of the Parties, any specific terms or conditions and reference to a discount, if any. Supplier shall, if requested by Buyer, issue its invoices in an electronic format, as specified by Buyer.

(d) **Payment.** Payments shall be made by electronic bank transfer on or before the due date to the account of Supplier specified in writing, provided that the invoice received from Supplier is accurate and all Items listed thereon conform to the requirements of the Order. Buyer shall have the right to withhold payment of any disputed element of the invoice until resolution of such dispute. Payments with respect to undisputed amounts shall be made sixty (60) days from the end of the month in which the invoice is issued, paid the tenth (10th) day of the next calendar month. If any payment would become due on a Saturday, Sunday or day on which banks in New York, New York are authorized to close, then such payment shall be made the following business day.

(e) **Setoff.** Without prejudice to any other right or remedy of Buyer, Buyer may set off any amount owing at any time from Supplier to Buyer or any Airbus Company against any amount payable by Buyer to Supplier in respect of an Order, or otherwise due from Buyer to Supplier.

8. **General Supplier Undertakings.**

(a) **Compliance with Law.** Supplier shall comply, and shall cause all Items to comply, with all applicable laws and regulations in any relevant jurisdiction, including to those relating to:

(i) environment, health, safety, packaging and labelling and shall not deliver to Buyer goods that contain any asbestos mineral fibers;

(ii) the control, restriction, prohibition, recovery or elimination of *inter alia*, chemicals or hazardous materials;

(iii) transport;

(iv) labor, employment, fair wages and treatment of employees, freedom of association, personal privacy, collective bargaining and workplace safety. Supplier shall include the substance of this clause, including this flowdown requirement, in all subcontracts awarded by Supplier for work under any Order.

(v) data protection;

(vi) all applicable anti-corruption and anti-bribery laws, including legislation implementing the Organization for Economic Co-operation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and other anti-corruption/anti-bribery conventions and the Foreign Corrupt Practices Act ("FCPA") (15 U.S.C. §§78dd-1, *et seq.*), regardless of whether Supplier is within the jurisdiction of the United States; and

(vii) all national and international export control laws and regulations, including the U.S. International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR") (collectively, "*Export Regulations*") and Seller acknowledges that diversion contrary to such Export Regulations is prohibited.

(b) **Specific Compliance Covenants.**

(i) Supplier shall not, directly nor indirectly, pay, offer, give, or promise to pay or give, any portion of monies or anything of value received from Buyer to a non-U.S. public official or any person in violation of the FCPA or in violation of any applicable laws of any country relating to anti-corruption or anti-bribery.

(ii) Supplier will provide to Buyer such information as Buyer may require in connection Supplier's compliance with applicable environmental laws.

(iii) Buyer shall have the ability to deliver the Aircraft for which the Item is procured on a worldwide basis, and the Operator of such Aircraft shall have the ability to use, operate and maintain the Aircraft worldwide.

(iv) Before it accepts any Order, Supplier shall classify each Item and part thereof specified in such Order by identifying the specific Export Regulations applicable thereto ("*Export Control Classification*"). Supplier shall communicate the Export Control Classification for each such Item and part to Buyer and shall complete and sign the Export Classification Declaration Form. Supplier shall notify Buyer in case of a (x) change in the Export Regulations or (y) change in any Item, in either case, affecting an Export Control Classification previously communicated to Buyer.

(v) Whenever all or part of an Item is subject to Export Regulations, Supplier shall

(x) obtain all relevant approvals, licenses, authorisations, exceptions or exemptions or other authority (collectively, an "*Export Licence*") required for the export, delivery and use of such Item or party by Buyer. Supplier shall identify any assistance it may require to obtain such Export License;

(y) not submit any U.S. Technical Assistance Agreement to the U.S. export authorities without Buyer's consent. Supplier shall deliver to Buyer a copy of each fully-executed Technical Assistance Agreement, the issued approval and all applicable Export Licenses including, in each case, a copy of all provisions relating to the execution of the Order or the obligations of Buyer; and

(z) clearly mark information that is subject to Export Regulations in order to permit Buyer to comply with the applicable Export Regulations. Supplier shall include the Export Control Classification and the reference of the applicable Export License on all delivery documentation.

(vi) If Supplier fails to obtain any Export License required to supply an Item in compliance with Export Regulations, Supplier shall promptly notify Buyer and, at its own cost, and within a timeframe compatible with Buyer's business needs take the appropriate actions to replace or modify such Items so that the appropriate Export License is obtained.

(c) **Use of Small Business Concerns.** Supplier will actively seek out and provide the maximum practicable opportunities for small businesses, small disadvantaged businesses, women-owned small businesses, minority business enterprises, historically black colleges and universities and minority institutions, historically underutilized business zone small business concerns and U.S. veteran and service-disabled veteran owned small business concerns to participate in the subcontracts Supplier awards to the fullest extent consistent with the efficient performance of each Order.

(d) **Airbus Supplier Code of Conduct.** Supplier acknowledges and accepts full and sole responsibility to maintain an ethics and compliance program appropriate for its business throughout the performance of each Order. Supplier has read and understood the Airbus Supplier Code of Conduct set forth at <http://www.airbus.com/content/dam/corporate-topics/corporate-social-responsibility/ethics-and-compliance/Airbus-Ethics-and-Compliance-Supplier-Code.pdf>. Supplier will comply with the Airbus Code of Conduct as in effect from time to time at all times during the term of any Order. Supplier shall publicize to its employees who are engaged in the performance of work under any Order that they may report any concerns of

misconduct by Buyer or any of its employees or agents by going to www.airbusgroupopenlineus.ethicspoint.com. Supplier shall convey the substance of this Section 8(d) to its suppliers.

Notwithstanding the foregoing, Supplier agrees that Buyer's internal policies, procedures and codes are intended to guide the internal management of Buyer and are not intended to, and do not, create any right or benefit, substantive or procedural, enforceable at law or in equity, by Supplier against Buyer

(e) **Non-discrimination.** Supplier does not, shall not and shall take affirmative measures to insure against, discriminate on the basis of race, color, religion, creed, gender, gender identity, gender expression, age, national origin or ancestry, disability, marital status, sexual orientation, or military or veteran status, in any of its activities or operations. These activities include, but are not limited to, recruitment, hiring and firing of staff, compensation, promotions or other conditions of employment, selection of volunteers and vendors, and provision of services.

(f) **Quality – Aeronautical Items.**

(i) With respect to any Item that is an aircraft part, equipment, component, accessory, system, structure or appurtenance or software that is designed for use on aircraft (each, an “*Aeronautical Item*”), the quality management system of Supplier shall comply with the requirements of:

(w) AS9100/EN9100/SJAC/JISQ9100 family standards (or 9110 for maintenance or 9120 for stockists and distributors). Supplier shall obtain certification of its quality management system by a certification body or organization accredited through the Industry Controlled Other Party scheme of the International Aerospace Quality Group (“*IAQG*”);

(x) (For certain Items, another quality management system such as ISO 9001 may be acceptable if specified in the Specific Terms;

(y) ISO 14001; and

(z) Subparts G and J of Regulation (EC) No 748/2012: For Items specified in the Specific Terms, Supplier shall have a current Production Organization Approval (“*POA*”) or Design Organization Approval (“*DOA*”) (or both) or the equivalent thereof granted by an Aviation Authority recognized by Airbus.

(ii) Supplier shall ensure that all standard parts, specified items, special processes and test methods used for the manufacturing of Aeronautical Items are qualified by Airbus and purchased from Airbus-approved sources. Supplier shall use the Qualified Part List or related quality data lists available at <http://www.airbus.com/be-an-airbus-supplier.html> for sourcing requirements.

(iii) If Supplier does not have a POA (or equivalent), or if its POA does not cover an Aeronautical Item, then Supplier shall attach to each delivery a certificate of conformity (“*CoC*”) of the manufacturer indicating that the requirements of the applicable specifications have been met. The CoC shall be written in English and include the following information:

1. CoC number;
2. Supplier name and address;
3. CAGE code, if relevant;
4. Order number;
5. part number and product designation;
6. serial number or batch number, if relevant;
7. reference number to an original CoC (or equivalent) from the original manufacturer where applicable;
8. quantity and unit as relevant;
9. description and status of work performed, where applicable;
10. remarks and/or reference to non-conformances affecting the Aeronautical Item, if any;

11. following statement of conformity (or equivalent wording): “We hereby declare that the delivered Aeronautical Item comply with the applicable requirements, specifications, drawings, regulations, standards and have been successfully tested and/or verified”;
12. authorized signature and name (function also recommended) or individual, unambiguous and traceable signatory code; and
13. date.

(iv) Unless specified by Buyer, if Supplier has a POA (or equivalent) covering the purchased Aeronautical Item, Supplier shall attach to each delivery of such Aeronautical Item, including any Aeronautical Item that constitutes a part or sub-assembly covered by Supplier’s capability list, an EASA Form 1 or an equivalent authorized release certificate. When an EASA Form 1 or an equivalent authorized release certificate is not specifically required by Buyer, a CoC shall be provided.

(v) Suppliers who are stockists or distributors shall attach to each delivery:

(x) a CoC of the original manufacturer attesting the conformity of the delivery with the order;

(y) a statement of undertaking completed by the original Supplier in accordance with the standards and regulations prevailing at Airbus receiving site (as per EN10204 and/or other certificate required in the purchase order); and

(z) the inspection, test and raw material reports of the original Supplier, if requested by Buyer.

(vi) Supplier shall provide to Buyer a first article inspection report and copies of supporting documentation in accordance with IAQG standard 9102 for each Item prior to or concurrent with delivery of the first Aeronautical Item of each type or upon request by Buyer. Supplier shall deliver relevant inspection or test reports, if requested by Buyer.

(vii) In addition to any other actions to be taken by Supplier pursuant to these Terms in case of a non-conformity of any Item, Supplier shall perform a root-cause analysis and take any necessary corrective action to remedy the causes of non-conformity of any Aeronautical Item and shall implement a preventive action plan satisfactory to Buyer. Supplier shall use an 8D/9S process or equivalent methodology that is substantiated by Supplier and approved by Buyer. Where a non-conformity is identified after an Aeronautical Item is delivered by Supplier, Supplier shall immediately submit to Buyer a Notification of Product Quality Escape in accordance with IAQG standard 9131.

(viii) Supplier shall inspect all incoming materials to ensure that Aeronautical Items conform to the Specific Terms. Supplier shall document all inspection requirements and acceptance criteria to ensure they comply with the specific requirements of the Order. Supplier shall ensure complete identification and traceability of all products related to each Aeronautical Item to the raw material used and applicable documentation. Supplier shall store all records in a suitable manner in accordance with applicable law so that they remain identifiable, legible, reproducible and available to Buyer.

9. Termination.

(a) **Default.** If Supplier has reason to know that it will not comply with any requirement of an Order, Supplier shall promptly notify Buyer thereof in writing, and upon request, provide Buyer adequate assurance of performance. If any delivery is delayed, or expected to be delayed or any other default by Supplier in meeting its obligations under an Order occurs, Buyer may terminate all or any part of such Order without further compensation to Supplier, and Buyer's rights will be (i) for goods, as specified in the New York Uniform Commercial Code; (ii) for services, Buyer may procure, upon such terms and from any source or service provider as it shall deem appropriate, supplies or services similar to those terminated and Supplier shall be liable for damages, losses, costs and expenses incurred by Buyer as a result thereof. In any such case, Supplier shall continue performance of such Order to the extent not terminated and shall be liable to Buyer for any excess costs incurred by Buyer in procuring of such similar supplies or services. If Buyer has made any progress payments under the terminated portion of any Order, Supplier shall refund to Buyer any such payments immediately upon termination.

(b) **Convenience.** Buyer may terminate all or any part of any Order for convenience at any time after notice specifying the extent of termination and the effective date.

(c) **Remedies.** After receipt of notice of termination, unless otherwise directed by Buyer, Supplier shall immediately: (1) stop work as directed in the notice; (2) place no further subcontracts or orders for materials, services, or facilities, except as necessary to complete the continued portion of the Order, if any; and (3) terminate all subcontracts to the extent they relate to work terminated. Supplier shall submit a final termination settlement to Buyer in the form prescribed by Buyer within ninety (90) days from the effective date of the termination. In no event shall Buyer be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Order price.

10. Warranties.

(a) **Warranty.** Without prejudice to any other warranties, Supplier warrants to Buyer that the Item and every part thereof shall (i) be free from any defects and be suitable for their intended use and; (ii) comprise only materials and goods that are new, of recent manufacture, merchantable and of satisfactory quality and; (iii) comply with the quality requirements and Specification, if any, set forth in the applicable Order; and; (iv) in the case of a service, be performed with all reasonable skill and care and in accordance with best industry practice.

(b) **Remedy.** Supplier shall, promptly repair or replace, at Buyer's request, any defective or non-compliant Item, at no cost to Buyer. The warranty set forth in this Section 10 will be for the period specified in the Specific Terms, but in any case, not less than twenty-four (24) months from the date on which Buyer accepted the Item, as specified in Section 6(d) or, in the case of, a service, from the date on which such service was completed. The outstanding warranty period, including the period during which the Item was under repair, shall apply to any repaired or replaced Item as from the date of its first use after such repair or replacement, or in the case of a service, on resumption of such service. Supplier shall be liable for all costs incurred by Buyer as a result of the defect or non-compliance of the Item or service, including removal, reinstallation, transport, certification and tests.

(c) **No limitation.** This Section 10 shall apply in addition and without prejudice to any other rights and remedies under the Order or available to Buyer at law.

11. Liability and Insurance.

(a) **Contract damages.** Supplier is liable to Buyer for all costs, losses, damages and liabilities, including without limitation, costs and expenses incidental thereto, which may be incurred by Buyer as a consequence of the failure by Supplier to comply with any of its obligations under the Order. Buyer agrees to provide Supplier with a breakdown of the said damages.

(b) **Indemnity.** Supplier shall defend, indemnify and hold harmless Airbus, each Airbus Company and their respective subsidiaries, and the directors, officers, employees and agents of each of them from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards and damages of any kind and nature whatsoever for property damage, personal injury or death (including without limitation injury to or death of employees of Supplier or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to an Order, the performance thereof by Supplier, any subcontractor thereof or other third parties within the control or acting at the direction of Supplier, or any of their respective employees (collectively for the purposes of this paragraph, the "*Supplier Parties*"), including, without limitation, the provision of goods, services, personnel, facilities, equipment, support, supervision or review. The foregoing indemnity shall apply only to the extent of the negligence or willful misconduct of any Supplier Party. In no event shall Supplier's obligations hereunder be limited to the extent of any insurance available to or provided by Supplier or any subcontractor thereof. Supplier expressly waives any immunity under industrial insurance, whether arising out of statute or other source, to the extent of the indemnity set forth in this Section 11(b).

(c) **Insurance.**

(i) To the extent that the performance of any Order requires the presence of Supplier's employees, agents or sub-contractors on premises owned or controlled by Buyer or another designated site, Supplier shall effect and maintain employers' liability insurance and public liability insurance commensurate with the exposure potential for loss of or damage to property of Buyer or death of or injury to persons arising out of or in any way relating to such Order and such insurance cover shall not be less than five million U.S. dollars (\$5,000,000) or such other amount as Buyer may specify to Supplier from time to time.

(ii) If Supplier is required to carry out work or services at or on an airfield, Supplier shall ensure that its liability insurance extends to aviation and air-side exposure and such insurance cover shall be not less than ten million U.S. dollars (\$10,000,000).

(iii) Supplier shall effect and maintain product liability insurance in respect of any Item that is to be incorporated into an Aircraft. Such product liability insurance must be commensurate with the exposure potential of such Item when incorporated into Aircraft and shall not be less than the minimum figure advised by Buyer to Supplier from time to time.

(iv) If Supplier is required to carry out work that requires professional indemnity insurance, Supplier effect and maintain such insurance in such amounts as may be specified by Buyer.

(v) Supplier shall provide Buyer with a certificate of insurance or other evidence reasonably satisfactory to Buyer that the above insurances are in full force and effect in respect of Supplier's obligations under each Order. All liability insurance required of Supplier in this Section 11(c) shall name Airbus as additional insured and shall include a waiver of subrogation.

12. Intellectual Property Rights. For purposes of these Terms, the following terms shall have the following meanings:

"*Intellectual Property*" or "*IP*" means any intellectual and industrial property rights including all rights in patents, utility models, semi-conductor topography rights, copyrights/authors' rights, trademarks, brands, domain names, trade secrets, know-how and other rights in (including without limitation) any data, information, drawings, logos, plans, database rights, technical notes, prototypes, processes, methods, algorithms, general and detailed specifications, computer programs/software and related technical documentation and user guide, any technical-related documentation, designs in each case, whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect anywhere in the world.

"*Supplier Background IP*" means IP that is

- (i) owned or controlled by Supplier prior to these Terms entering into force; or
- (ii) created or acquired by Supplier at any time prior to independently from the performance of these Terms; or
- (iii) licensed to Supplier by any third party and that is required for the full and proper performance of these Terms, and that is necessary to give effect to the IP rights granted by Supplier to Buyer under these Terms.

"*Foreground IP*" means any IP created, invented or developed by Supplier in performing the work, the Order, the Item or any of them.

(a) **Foreground IP.** All Foreground IP shall vest in and be the sole property of Buyer. Supplier hereby assigns legal and beneficial ownership of all Foreground IP to Buyer and shall cause Supplier's employees, agents and contractors to assign to Buyer, as soon as developed, on a world-wide basis, and for the duration of legal protection associated with such Foreground IP, all such Foreground IP, including for Buyer the right of reproduction in any form, language, format and medium, the right of distribution in part or in whole including the right to sell, lend, rent, distribute, download by any means and in any language, the right to modify, adapt, improve, correct and translate in

any form and language, and interface with any other item. Supplier will execute any assignment or other documentation necessary to give effect to the transfer of Foreground IP as described in this paragraph.

(b) **Background IP.** Supplier hereby grants to Buyer, at no additional charge beyond the price specified on the Order, for the duration of the legal protection of intellectual property rights, a non-exclusive and worldwide license to use and have used, any of Supplier Background IP that may be necessary in order to exploit, in whole or in part, any Foreground IP. Supplier grants Buyer the right to sub-license all the above-mentioned rights.

(c) **Infringement Indemnity.** Supplier shall defend, indemnify and hold harmless Buyer and each Operator and their respective officers, directors, employees, agents, successors and assigns (collectively, “*Indemnified Parties*”), against any and all costs, losses, damages, liabilities, judgments, settlements, interest awards, penalties, expenses (including legal fees), fines or other financial sanctions or loss of profit that may be incurred by any Indemnified Party as a result of any third party claims, suits or actions alleging that any IP used in the design or production of the Items, or that is embodied in the Items, infringes any IP of a third party. In addition, if such a claim, suit or action is or is likely to be made, Supplier shall, at its own expense, exercise the first of the following that is practicable: (i) obtain for Buyer the right to continue to use the Items consistent with these Terms; (ii) modify the Items so they are non-infringing and in compliance with these Terms; (iii) replace the Items with non-infringing ones that comply with these Terms; or (iv) at Buyer’s request, accept the cancellation and return (at Supplier’s expense) of infringing Items without Buyer having any cancellation liability and refund to Buyer any amount paid for such infringing Items.

13. Confidentiality and Publicity.

(a) **Confidentiality.** Any and all information relating to the Order and communicated by Buyer to Supplier, or to which Supplier may have access in connection with the Order, and/or any information in any form, on any medium, that is declared as being confidential or that Supplier knows or should reasonably know is confidential is referred to as “*Confidential Information.*”

Supplier shall use Confidential Information exclusively for the purposes of the Order. Disclosure of Confidential Information to Supplier’s personnel shall be for the purpose of performance of the Order only and shall be on a strictly need-to-know basis. Supplier shall not disclose any Confidential Information to any third party without Buyer’s prior written consent and shall protect the Confidential Information with, at least, the same degree of care as it uses to protect its own Confidential Information, but in no instance shall such standard be less than reasonable care for highly sensitive data.

Supplier shall be under no obligation of confidentiality if it can prove that the Confidential Information was (i) already publicly known when Supplier gained access to it or (ii) that it became publicly known through no fault of Supplier after it gained access to it or (iii) that Supplier was able to lawfully gain access to the Confidential Information.

The obligations herein relating to confidentiality with respect to any Order shall remain in full force and effect for the duration of such Order and continue for a period of five (5) years after the expiry or termination of such Order.

(b) **Publicity.** Neither Party shall make any news release or public announcement referring to any Order, nor use, reproduce or imitate for any purpose whatsoever any of the filed, registered or unregistered trademarks of the other Party, including its company names, associated logos, program names or logos associated with its products or services, unless a prior written consent is given by the other Party.

14. Assignment and Transfer. Buyer shall be entitled to assign or transfer at any time all or part of its rights, warranties, benefits, remedies and obligations under any Order to any third party. Supplier shall not assign or transfer any of its benefits, rights, remedies and/or obligations under any Order to a third party without the prior written consent of Buyer.

15. Change in Control of Supplier. For purposes of this Section 15, “*Change in Control*” shall mean the acquisition by a third party of direct or indirect control of Supplier. A third party shall be deemed to control Supplier if it, directly or indirectly:

- (x) holds a majority of the voting rights in Supplier;
- (y) has the right to appoint or remove a majority of Supplier's board of directors, supervisory board, or other body controlling the management of Supplier; or
- (z) has the right to exercise a dominant or decisive influence over Supplier.

If Supplier becomes aware that a Change in Control of Supplier is reasonably likely to occur, Supplier shall:

- (1) promptly give Buyer prior written notice thereof identifying the investor or acquiring party, the nature of the anticipated change in Supplier's ownership structure and any other associated change(s); and
- (2) provide to Buyer all information that may reasonably be considered relevant to Supplier or any Order during the Change in Control process.

If such Change in Control reasonably appears to Buyer as materially affecting the ability of Supplier to discharge its obligations under any Order or if such Change in Control is in favor of a party that is strategically not acceptable to Buyer because of existing, latent or potential conflict of interest, Buyer shall have the right to terminate any or all Orders within thirty (30) calendar days from the date on which Buyer becomes aware of the Change in Control, in which case the provisions of Section 9(a) shall apply.

16. Governing Law; Settlement of Disputes. These Terms shall be governed by, subject to and construed and the performance thereof shall be determined in accordance with the laws in effect in the State of New York without regard to conflict of laws principles that could result in the application of the laws of any other jurisdiction. Any dispute arising hereunder shall be submitted to the exclusive jurisdiction of any New York state court or federal court of the United States of America sitting in New York City and the parties hereby submit themselves to the jurisdiction thereof. These Terms supersede all previous ones issued by Supplier. The United Nations Convention on the International Sale of Goods, 1988, shall not apply hereto.

17. Amendments. The Order shall not be amended except by an agreement in writing signed by the Parties.

18. Independent Contractors. The relationship of the Parties under these Terms shall be that of independent contractors. Neither Party shall have the right to contract or in any other way to enter into commitments on behalf of or in the name of the other Party.

19. No Joint and Several Liability. Buyer alone shall be liable to Supplier for payment of all sums due in connection with the Order and that no other Airbus Company shall have any liability with respect thereto.

20. Entire Agreement; Reliance.

(a) **Entire Agreement.** Each Order constitutes the entire agreement between the Parties relating to the transactions contemplated thereby and replaces and extinguishes all prior agreements, draft agreements, arrangements, collateral warranties, collateral contracts, statements, assurances, representations and undertakings of any nature made by or on behalf of the Parties, whether oral or written, in relation thereto.

(b) **Reliance.** Each Party represents that, in entering into any Order, it has not relied upon, and it hereby waives any rights that it may have with respect to, any oral or written statements, collateral or other warranties, assurances, representations or undertakings made by or on behalf of the other Party relating to the transactions contemplated by such Order at any time before its signature.

21. Notices. Unless otherwise specified, all notices and communications by Supplier to Buyer in respect of an Order shall be in writing and sent by hand, mail, electronic mail or courier to the Procurement Department at Buyer's facility identified in the Specific Terms. The date of delivery of any such notice or communication shall be the date of dispatch, if delivered by hand, electronic mail or courier, or five (5) days after mailing, if delivered by mail.

22. Waiver. The failure of either Party to enforce at any time any of these Terms or to require performance of the same by the other Party shall in no way be construed to be a present or future waiver of such Terms or any other of these Terms.

23. Severability. Any provision of these Terms that is prohibited by or unlawful or unenforceable under any applicable law that is actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from these Terms and rendered ineffective so far as is possible without modifying the remaining provisions. The Parties agree to replace, so far as practicable, any provision that is prohibited, unlawful or unenforceable with another provision having substantially the same effect (in its legal and commercial content) as the invalid provision, but that is not prohibited, unlawful or unenforceable. The invalidity in whole or in part of any provisions of these Terms shall not void or affect the validity of any other provision.

24. Language. These Terms have been drawn up in English and only this language version shall be deemed authentic. Any translation of these Terms into a language other than English shall be for information purposes only. All notices, correspondence, communication and documentation to be issued, exchanged or delivered to either Party in connection with this Order shall be in English.