
General Terms and Conditions of Supply

FOR PRODUCTS AND SERVICES FOR AIRBUS AIRCRAFT

The general terms and conditions of supply contained herein (the "Terms") shall govern all quotations and sales made by Airbus SAS (the "Seller") concerning the products and services directly or indirectly supplied by the Seller and relating to Airbus aircraft, including but not limited to spares and tools, supplier equipment, ground support equipment, software, technical data and documentation, engineering services including modification kits, technical assistance, resident Customer support representation and training services (the "Products" and "Services").

Any order placed by the customer (the "Customer") with the Seller and the acceptance of or the payment for any Product and/or Service shall be deemed to be the acceptance of the Terms (irrespective of whether the Customer accepts the Terms by a written acknowledgement), provided that if the Terms conflict with any conditions contained in aircraft or spare parts purchase agreements or any other specific agreement which may be entered into between the Seller and the Customer, the conditions of such specific agreement shall prevail. The Terms shall prevail over any written or oral purchase conditions related to or contained in a purchase order or similar document submitted by the Customer notwithstanding any provision to the contrary in such document.

The term "Affiliates" shall mean, with respect to the Seller, any other person or entity directly or indirectly controlling or controlled by or under common control with the Seller.

1. ORDERS - ORDER ACCEPTANCE

The provision of Products and Services by the Seller shall be subject to the fulfilment of the ordering and payment processes described herein. Any order for Products and Services must be sent by the Customer to the address of the Seller provided in the relevant price list of the Seller. If appropriate, orders shall be placed in accordance with the relevant ATA specifications and will be administered by the Seller in accordance with such specifications. Orders placed in a manner other than that provided in ATA specifications shall include all appropriate information including but not limited to the description of the Products and/or Services requested, order number, delivery schedule, Seller's price if available. Orders for Products and/or Services shall be placed in writing (letter, telefax, email) or electronically through the Seller's Customer Services e-Catalogue when available. The Seller order administration converts all Customer orders for spare parts to the concept of single item orders in accordance with ATA specification 2000 Chapter 3 or in non ATA/free format.

For any order exceeding two hundred thousand US Dollars (200,000.00 USD), a thirty (30) percent non-refundable down payment shall be paid by the Customer upon receipt of corresponding down payment request from the Seller. Upon written request of the Seller, the Customer shall promptly provide warranties satisfactory to the Seller to grant the full payment in due time of all sums which are or might become due under any Binding Order.

Unless otherwise provided in any relevant specifications/guides, the obligation to buy and sell the Products and/or to perform and accept the Services mentioned in the order shall become binding upon both parties and therefore a "Binding Order" only after the issuance by the Seller of an order acceptance in written form.

Any change made by the Seller after receipt of an order shall be sent for approval to the Customer and shall be binding upon both parties if the Customer has not issued any written objection within eight (8) working days from the date of the changed order. If the Customer issues a written objection within the relevant period, the Seller and the Customer shall negotiate in good faith with a view to reaching mutual agreement. If an agreement is not reached within thirty (30) days after issuance by the Customer of an objection, the order shall be deemed cancelled, provided that if the Seller was required to specifically manufacture or purchase part or all of the Products or start performing the Services, the Customer shall be required to accept such Products and/or Services and/or part thereof and pay relevant prices as the Seller will reasonably determine.

The Seller reserves the right to charge for studies, documents or drawings executed in response to a particular Customer enquiry. Any quotation issued by the Seller constitutes a firm and valid offer for ninety (90) days from the date of the quotation, except for enquiries received within the last ninety (90) days of a calendar year, in which case the Seller's quotations are valid till the end of such calendar year, unless otherwise stated.

As soon as the obligations to buy and to supply Products and Services are binding upon the Customer and the Seller, respectively, any cancellation, modification and/or reduction in the terms and conditions of the Binding Order by the Customer is subject to the prior written approval of the Seller. Cancellation or reduction by the Customer may result in additional charges to the Customer and the Seller reserves its rights to retain any advance payment made by the Customer.

2. DELIVERY

All sales of Products, except technical data, are made FCA – the place specified by the Seller, as this term is defined by publication N°560 of the International Chamber of Commerce published in January 2000 (the "FCA - Incoterm"). Any enquiry, demand or action relating to the delivery of such Products must be submitted to the carrier.

Sales of technical data are made DDU – the place specified by the Customer as this term is defined by publication N°560 of the International Chamber of Commerce published in January 2000 (the "DDU - Incoterm").

Claims against the Seller for shortages or apparent defects must be received by the Seller within thirty (30) days after receipt of the Products and/or Services by the Customer. After this date and even in the absence of a formal acceptance document, the Products and/or Services shall be deemed accepted by the Customer.

Products and Services will be delivered to the Customer or performed in accordance with the schedule agreed upon in the Binding Order. The Binding Order may provide, in respect of Products, an emergency service to be operated twenty-four (24) hours a day all year for all expedited orders, including A.O.G (aircraft on ground), CRITICAL (imminent A.O.G or workstoppage) or EXPEDITE (less than published or quoted lead time). For any order placed on AOG basis the Seller reserves the right to verify the accuracy of the order and to apply additional fees in case of discrepancy. For any order placed on CRITICAL basis the Seller reserves the right to apply additional expedite fees. If the Seller has agreed to provide an emergency service, the Seller will respond to all expedite orders within the time frame stipulated in the "World Airline Suppliers' Guide" as published by Air Transport Association of America. In any other case, the order lead-time for a stock item (a spare part normally available) is fifteen (15) days from the date of order acceptance. If applicable, the Seller shall be entitled to pass on to the Customer extra charges for non-Airbus proprietary parts.

The Seller will use commercially reasonable efforts to comply with the agreed delivery schedule; HOWEVER, DELIVERY DATES ARE APPROXIMATE AND THE SELLER SHALL NOT BE LIABLE FOR ANY LOSS OF PROFITS, LOSS OF USE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHICH MAY RESULT DIRECTLY OR INDIRECTLY FROM ANY DELAY IN THE DELIVERY OF PRODUCTS AND/OR SERVICES.

Any delivery or performance by the Seller in intermediate stages shall not be deemed to be a breach of these Terms.

If appropriate, the Products will be packed in accordance with the relevant specifications including in particular ATA specification 300. For technical data and documentation and their revisions, packing and shipment shall be carried out by the quickest transportation method reasonably available.

3. TITLE

The Seller retains title to the Products delivered to the Customer until receipt by the Seller of full payment of the entire price including principal and interest, if any.

Notwithstanding the above, the Customer will bear all risk of loss of the Products from the time they are delivered to the Customer in accordance with the FCA Incoterm.

4. PRICES

All invoices for Products and Services will be at the price indicated in the relevant price list of the Seller or in the relevant quotation or order change notice.

All prices listed are net and FCA or DDU, as applicable under Clause 2, and include normal packaging costs. All prices listed are exclusive of any taxes or duties that may be levied in connection with the sale, delivery or use of Products and the performance of Services.

Except in case of significant error or omission by the Seller in price preparation or of a significant revision in manufacturing costs, prices will remain firm for orders received and accepted by the Seller during the applicable calendar year. Binding Orders will be invoiced on the basis of the price list in force on the date of the acceptance of the order by the Seller.

In the case of ongoing Services and Products, such as, but not limited to, data revision, license fees and resident Customer support representation, the Customer shall place an initial order for such ongoing Services and Products. Each year the Seller shall invoice such Services and Products at the price valid for such year on the basis of such initial order. If the Customer wishes to terminate the ongoing Service or Product, the Customer shall notify the Seller in writing by October 1st of the then current year for the next calendar year.

5. TERMS OF PAYMENT

Unless otherwise expressly stated by the Seller, payment shall be made no later than thirty (30) days from the date of invoice, and the value date on which such payment is credited to the Seller's account shall fall within this thirty (30) day period. When partial deliveries are made, payments shall become due in accordance with the relevant invoices thereof.

Payment shall be made in immediately available funds in the quoted currency. In case of payment in any other freely convertible currency, the exchange rate valid on the day of actual money transfer shall be applied for conversion.

If any payment due to the Seller is not received on the due date, without prejudice to the Seller's other rights (including but not limited to the right to claim for payment of any outstanding amount and to cease deliveries to the Customer without prior notice), the Seller shall be entitled to interest for late payment calculated on the amount due from and including the due date of payment up to and including the date when the payment is received by the Seller at a rate equal to the London InterBank Offered Rate (LIBOR) for twelve (12) months deposits in US Dollars (as published in the Financial Times on the due date) plus three percent (3 %) per year (part year to be prorated). All such interest shall be compounded monthly and calculated on the basis of the actual number of days elapsed in the month assuming a thirty (30) day month and a three hundred and sixty (360) day year.

All payments due to the Seller shall be made in full, without set-off, counterclaim, deduction or withholding of any kind. The Buyer shall ensure that the sums received by the Seller shall be equal to the full amounts expressed to be due to the Seller, without deduction or withholding on account of and free from any and all taxes, levies, imposts, dues or charges of whatever nature. If the Buyer is compelled by law to make any such deduction or withholding the Buyer shall pay such additional amounts as may be necessary in order that the net amount received by the Seller after such deduction or withholding shall be equal to the amounts which would have been received in the absence of such deduction or withholding and pay to the relevant taxation or other authorities within the period for payment permitted by applicable law, the full amount of the deduction or withholding.

Each delivery is an independent transaction and no claim from the Customer can validly suspend payment due to the Seller.

6. WARRANTY, REMEDY AND LIMITATION OF LIABILITY

Subject to the limitations and conditions hereinafter provided, the Seller warrants to the Customer that the Seller parts manufactured by the Seller and bearing a Seller's part number (the "Seller Parts") will at the date of delivery be free (i) from defects in material and (ii) from defects in workmanship, including but not limited to processes of manufacture.

The warranty described above will be limited to those defects, which become apparent after delivery of the Seller Parts to the Customer (a) within thirty six (36) months for new Seller Parts and (b) within twelve (12) months for used Seller Parts.

If the Seller has obtained in its capacity as buyer of Products a supplier warranty, the Seller shall transfer to the Customer any remaining portion of such warranty.

IN THE EVENT OF A FAILURE FALLING WITHIN THE SCOPE OF THE ABOVE WARRANTY, THE SELLER'S SOLE AND EXCLUSIVE LIABILITY SHALL BE AT ITS OPTION TO REPAIR OR REPLACE THE DEFECTIVE SELLER PARTS OR CREDIT THE CUSTOMER'S ACCOUNT FOR ANY SUCH SELLER PARTS, PROVIDED THAT (A) THE SELLER IS NOTIFIED IN WRITING WITHIN SIXTY (60) DAYS OF DISCOVERY BY THE CUSTOMER OF SUCH FAILURE; AND (B) SUCH SELLER PARTS ARE RETURNED TO THE SELLER CIP – AS THIS TERM IS DEFINED BY PUBLICATION N°560 OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLISHED IN JANUARY 2000 (THE "CIP-INCOTERM") – SELLER'S SPARES SUPPORT AND SERVICES, P.O. BOX 630262, D-22312 HAMBURG, GERMANY OR ANY OTHER PLACE AS INDICATED BY THE SELLER ; AND (C) THE SELLER'S EXAMINATION OF SUCH SELLER PARTS SHALL DISCLOSE TO THE SELLER'S SATISFACTION THAT SUCH ALLEGED FAILURE ACTUALLY EXISTS AND IS NOT CAUSED BY ACCIDENT, MISUSE, NEGLIGENCE, ALTERATION, IMPROPER INSTALLATION, REPAIR OR TESTING.

SHOULD ANY TECHNICAL DATA PREPARED BY OR USED BY THE SELLER CONTAIN ANY NON CONFORMITY OR DEFECT, THE SOLE AND EXCLUSIVE LIABILITY OF THE SELLER SHALL BE TO TAKE ALL REASONABLE AND PROPER STEPS TO, AT ITS OPTION, CORRECT OR REPLACE SUCH TECHNICAL DATA.

THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER (AS "SELLER" IS DEFINED BELOW FOR THE PURPOSES OF THIS SECTION) AND REMEDIES OF THE CUSTOMER SET FORTH IN THESE TERMS ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE CUSTOMER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE CUSTOMER AGAINST THE SELLER, EXPRESS OR IMPLIED HOWSOEVER, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY SELLER PARTS, PRODUCTS AND SERVICES DELIVERED UNDER THESE TERMS INCLUDING BUT NOT LIMITED TO : (A) ANY WARRANTY AGAINST HIDDEN DEFECTS (GARANTIE DES VICES CACHES) ; (B) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS ; (C) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE ; (D) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, WHETHER CONTRACTUAL OR DELICTUAL AND WHETHER OR NOT ARISING FROM THE SELLER'S NEGLIGENCE, ACTUAL OR IMPUTED ; AND (E) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO ANY SELLER PARTS, PRODUCTS AND/OR SERVICES. THE SELLER SHALL HAVE NO OBLIGATION OR LIABILITY, HOWSOEVER ARISING, FOR LOSS OF USE, REVENUE OR PROFIT OR FOR ANY OTHER DIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY SELLER PARTS, PRODUCTS AND/OR SERVICES DELIVERED UNDER THESE TERMS.

FOR THE PURPOSES OF THIS SECTION 6, "THE SELLER" SHALL INCLUDE THE SELLER, ANY OF ITS SUPPLIERS AND SUBCONTRACTORS, ITS AFFILIATES, AND ANY OF THEIR RESPECTIVE INSURERS.

IN NO EVENT SHALL THE SELLER BE LIABLE FOR INFRINGEMENT OF PATENTS OR ANY INDUSTRIAL OR INTELLECTUAL OR OTHER SIMILAR PROPRIETARY RIGHTS UNDER THESE TERMS.

7. INDEMNIFICATION AND INSURANCE

Indemnities Relating to Ground Training

"Ground Training" means all training courses performed in classrooms (classic or Airbus CBT courses), full flight simulator sessions, field trips and any other Services provided to the Customer on the ground, which are not Training on Aircraft.

The Seller shall, except in the case of wilful misconduct and/or gross negligence of the Customer, its directors, officers, agents, subcontractors and employees, be solely liable for and shall indemnify and hold harmless the Customer, its directors, officers, agents and employees from and against all liabilities, claims, damages, costs and expenses incident thereto or incident to successfully establishing the right to indemnification (including legal expenses and attorney fees) in respect of loss of or damage to the Seller's property and/or injury to, or death of, the directors, officers, agents or employees of the Seller and/or from and against all liabilities, claims, damages, costs and expenses incident thereto or incident to successfully establishing the right to indemnification (including legal expenses and attorney fees) for any loss or damage caused by the Seller to third parties, arising out of, caused by or in any way connected with any Ground Training.

The Customer shall, except in the case of wilful misconduct and gross negligence of the Seller, be solely liable for and shall indemnify and hold harmless the Seller from and against all liabilities, claims, damages, costs and expenses (including legal expenses and attorney fees) in respect of loss of or damage to the Customer's property and/or injury to or death of the directors, officers, agents or employees of the Customer and/or from and against all liabilities, claims, damages, costs and expenses incident thereto or incident to successfully establishing

the right to indemnification (including legal expenses and attorney fees) for any loss or damage caused by the Customer to third parties arising out of, caused by or in any way connected with any Ground Training.

Indemnities Relating to Training on Aircraft

"Training on Aircraft" means all training courses, flight training, line training, flight assistance, line assistance, maintenance training or training support in connection with any aircraft and provided to the Customer.

The Customer shall, except in the case of wilful misconduct and gross negligence of the Seller, be solely liable for and shall indemnify and hold harmless the Seller from and against all liabilities, claims, damages, costs and expenses incident thereto or incident to successfully establishing the right to indemnification (including legal expenses and attorney fees), for injury to or death of any person (including any of the Customer's directors, officers, agents and employees utilising such Training on Aircraft Services, but not directors, officers, agents and employees of the Seller) and/or for loss of or damage to any property (including the aircraft in connection with which the Training on Aircraft Services are performed) and/or for loss of use thereof, howsoever arising out of, caused by or in any way connected with any Training on Aircraft Services.

The above indemnity shall not apply with respect to the Seller's legal liability towards any person other than the Customer, its directors, officers, agents or employees arising out of an accident caused solely by a product defect in the aircraft delivered to and accepted by the Customer.

Indemnities Relating to Seller Representatives Services

"Seller Representatives Services" means all assignments to the Customer at its premises of mechanics, avionic engineers, spares specialists and/or other specialists on a medium to long-term basis.

The Customer shall, except in the case of wilful misconduct and gross negligence of the Seller, be solely liable for and shall indemnify and hold harmless the Seller, from and against all liabilities, claims, damages, costs and expenses incident thereto or incident to successfully establishing the right to indemnification (including legal expenses and attorney fees) for all injuries to or death of persons (excepting injuries to, or death, of the Seller's representatives) and for loss or damage to property and/or loss of use thereof howsoever arising out of or in connection with any Seller Representatives Services.

The Seller shall, except in the case of wilful misconduct and/or gross negligence of the Customer, its directors, officers, agents, subcontractors and/or employees, be solely liable for and shall indemnify and hold harmless the Customer, its directors, officers, agents and employees from and against all liabilities, claims, damages, costs and expenses incident thereto or incident to successfully establishing the right to indemnification (including legal expenses and attorney fees) for all injuries to, or death of, the Seller's representatives in connection with any Seller Representatives Services.

Indemnities Relating to Engineering and Technical Assistance

"Engineering and Technical Assistance Services" means all engineering and technical assistance Services provided by the Seller to the Customer.

The Customer shall, except in the case of wilful misconduct and gross negligence of the Seller, be solely liable for and shall or shall cause the Operator/Owner to indemnify and hold harmless the Seller, from and against all liabilities, claims, damages, costs and expenses incident thereto or incident to successfully establishing the right to indemnification (including legal expenses and attorney fees), for injury to or death of any person (excluding directors, officers, agents and employees of the Seller) and/or for loss of or damage to any property (including the aircraft on which the Services are performed) and/or for loss of use thereof arising out of, caused by or in any way connected with any Engineering and Technical Assistance Services.

Insurance

The Customer shall maintain adequate insurance with respect to the undertakings of the Customer in this Section 7 and shall provide upon the request of the Seller certificates of insurance from the Customer's insurance brokers, in English, evidencing such insurance coverage, in a form acceptable to the Seller. For all training periods on aircraft and on-aircraft Services, the Customer shall cause the Seller to be named as additional insured under the Customer's Comprehensive Aviation Legal Liability insurance policies, including War Risks and Allied Perils (such insurance shall include the AVN52E Extended Coverage Endorsement (aviation liabilities) or any further Endorsement replacing AVN52E as may be available as well as coverage in respect of War and Allied Perils Third Parties Legal Liabilities insurance) to the extent of the Customer's undertaking hereunder. With respect to the Customer's Hull All Risks and Hull War Risks and Allied Perils insurance, the Customer shall cause the insurers of the Customer's hull insurance policies to waive all rights of subrogation against the Seller, to the extent of the Customer's undertaking hereunder.

Any applicable deductible shall be borne by the Customer with respect to the above policies. The Customer shall furnish to the Seller, not less than seven (7) working days prior to the start of any concerned Services, certificates of insurance from the Customer's insurance brokers, in English, evidencing the limits of liability cover and period of insurance in a form acceptable to the Seller and certifying that such policies have been endorsed as follows: (i) the Customer's policies shall be primary and non-contributory to any insurance maintained by the Seller; (ii) such insurance shall not become ineffective, cancelled, or coverage decreased or materially changed except on seven (7) days' prior written notice thereof to the Seller; and (iii) under any such cover, all rights of subrogation against the Seller have been waived to the extent of the Customer's undertaking hereunder.

Should the Customer be different from the Operator/Owner, the Customer shall obtain that the Operator/Owner comply with all obligations specified in connection with the above insurance requirements.

"Operator/Owner" means the operator and/or the owner, as applicable, of the aircraft on which the Service is performed or for installation in, or with respect to, which a Product is delivered.

For the purpose of this Section 7, "the Seller" includes the Seller, its Affiliates, each of the sub-contractors and assignees of each of the foregoing, their respective directors, officers, agents and employees and any of their respective insurers.

8. CONFIDENTIAL AND PROPRIETARY INFORMATION

All proprietary information contained in the Products and Services and their respective documentation including but not limited to patent, copyright, drawings, formulae, data, model, descriptions studies, codes and/or other information relating to the design, assembly, composition, manufacture, performance, application, or operation of the Products or Services, or any information marked as "Proprietary", "Confidential" or with some other similar marking or denomination (the "Confidential Information") are and will remain the exclusive property of the Seller and/or its Affiliates as the case may be. Those proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Customer.

Whenever the Seller authorises the Customer to manufacture certain items, such authorisation given by the Seller shall not be construed as express or implicit approval of the Customer or such manufactured items. The supply of the Confidential Information will not be construed as a further right for the Customer to design or manufacture any aircraft or part thereof or spare part.

The Customer shall not disclose the Confidential Information or any part thereof to any third party nor use the same other than for its own legitimate purposes.

All technical data and documentation are supplied to the Customer for the sole use of the Customer who undertakes not to disclose the contents thereof to any third party without the prior written consent of the Seller save as permitted herein or otherwise permitted pursuant to any government or legal requirement imposed upon the Customer.

9. EXPORT CONTROL LAWS AND REGULATIONS

Customer acknowledges that the Products, including but not limited to commodities, technology and software, and/or Services to be provided by the Seller under these Terms may be subject to export control laws and regulations, and any supply or use of such Products and/or Services contrary to such laws and regulations is prohibited.

Customer shall indemnify and hold the Seller harmless against any losses, damages, fees or monetary sanctions imposed as a result of Customer's failure to comply with any applicable export control law or regulation.

10. FORCE MAJEURE

The Seller shall not be responsible for any delays in delivery or for any failure in the performance of its obligations due to causes beyond the Seller's control, including but not limited to: acts of God or the public enemy, natural disasters, fires, floods, explosions or earthquakes, serious accidents, total or constructive total loss; any law, decision, regulation, directive or other act of any government or of the EC authorities or of any department, commission, board, bureau, agency, court; any regulation or order affecting the supply of Products and/or Services ; war, riots, failure of transportation, strikes or labour troubles causing cessation, slowdown or interruption of work, delay after due and timely diligence to procure materials, accessories, equipment, parts and documentation.

11. ASSIGNMENT

The Customer shall not assign an order or any interest therein or any rights thereunder (including the right to receive delivery) without the prior written consent of the Seller.

12. SEVERABILITY

In the event that any provision of the Terms should for any reason be held ineffective, the remainder of these Terms shall remain in full force and effect.

13. NO WAIVER

The failure of either party to enforce at any time any of the 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 the relevant Terms.

14. GOVERNING LAW

The Terms shall be governed by, subject to and construed and the performance thereof shall be determined in accordance with the laws of France. Any dispute arising out of the Terms shall be submitted to the exclusive jurisdiction of the Tribunal de Commerce in Paris.