



## VALLAIR INDUSTRY GENERAL TERMS & CONDITIONS FOR PURCHASE OF AERONAUTICAL SERVICES

The present **General Terms** define the terms and conditions under which VALLAIR INDUSTRY ("VAI") commits to purchase services ("**Services**") from the Contractor. Save as otherwise agreed, these General Terms shall be applicable to all orders placed by VAI based on the Contractor's proposal ("**Proposal**") for an equipment ("**Equipment**"). If a provision in any Terms & Conditions or the Proposal deviates from or conflicts with a provision in these General Terms, these General Terms shall prevail. The General Terms applicable to a specific Proposal shall be the ones available on VAI' website on the date of issuance of the specific Proposal, unless otherwise agreed.

**1. Scope of the General Terms** - The Services to be provided by the Contractor are defined and specified in the Proposal. They shall be performed under applicable aviation authority approvals and OEM's recommendations.

**2. Liaisons & Representation** - Each Party shall each designate one person to ensure effective and timely communications between them.

During the performance of the Services, and if applicable, VAI may, at its own costs and expenses, appoint and maintain a representative to be based on the Contractor's premises. The Contractor shall grant VAI' representative with unrestricted access to the relevant areas of the premises during Contractor's normal working hours. VAI undertakes that its representative shall comply with all updated safety and security regulations in force at the premises and which shall be expressly communicated to VAI and its representative on the day the latter's appointment.

VAI' representative shall be the only technical contact between the Contractor and VAI. Contractor shall provide VAI' representative on a regular basis with check planning chart, check progression, defects found and progress, kits needed from VAI and additional costs.

**3. Responsibility towards third parties** - In relation to aeronautical authorities and other government agencies, the Contractor is performing the Services for and on behalf of VAI. The Contractor shall remain legally responsible towards such authorities and agencies.

If applicable, the Contractor shall grant VAI access to any and all necessary information concerning its compliance with EASA and FAA requirements as applicable in order for VAI to exercise its airworthiness responsibility. Failure by the Contractor to maintain the licenses, the certificates and permits required for the provision of the Services shall constitute a material breach.

**4. Worscope** - VAI shall provide to the Contractor the list of tasks to be performed by the Contractor no later than on the date specified in the Proposal and ensure that the workscope reflects the current status of the Equipment.

If VAI does not provide the workscope on time or if such workscope does not reflect the current status of the Equipment, the Contractor may put the Equipment on hold and such work stoppage shall cause the TAT to be adjusted.

**5. Subcontracting** - The Contractor may subcontract Services to any other approved maintenance facility upon VAI' prior approval which cannot be unreasonably withheld. The Contractor shall supply VAI with appropriate information about the subcontractor.

The Contractor shall provide its list of vendors to VAI for approval, as well any other changes to the vendor list, on a timely basis to obtain VAI' prior consent. VAI shall advise the Contractor of any objection to use the Services of a Vendor named on the list within 15 days of reception of the list.

The engagement of a subcontractor shall not affect the Contractor's obligations vis-à-vis VAI under these General Terms.

**6. Turnaround Time & Performance dates** - The Parties have agreed on such TAT or other performance dates and time limits as are described in the Contractor's Proposal.

In case of delay in the redelivery of the Equipment, the Contractor shall pay to VAI an indemnity equal to 0.5% per late day of the overall prices for the Services. Such indemnity shall be limited to a maximum amount of 15% of the overall price for the Services.

The Parties agree that the Contractor shall not be held liable if such TAT, performance dates or other agreed upon time limits are not met for reasons beyond the Contractor's reasonable control due to:

- Force majeure, including but not limited to, acts of the public enemy; war, insurrections or riots, fires, floods, explosions, earthquakes, serious accidents, epidemics or quarantine, any act of government or governmental authority, external strikes or labour troubles causing cessation, slowdown or interruption of work, general hindrance in transportation.
- Major defects on the Equipment which were unforeseen, and which could not have been expected and which have an impact on the Services to be performed.
- Equipment documentation, insurance certificates or securities to be supplied by VAI not being available on time or not being suitable for the Services.
- VAI unreasonably withholding or delaying its consent where such consent is required under the terms of these General Terms.
- Additional tasks which were not part of the initially contracted work scope being carried out by the Contractor upon VAI' request, unless expressly agreed otherwise.

**7. Prices** - The applicable prices for the Services are specified in the Proposal. In addition to the price for the Services, VAI shall, upon presentation of Contractor's justification, pay any taxes (including, if applicable, sales, use or value added taxes), duties, fees, charges, imposts, tariffs or assessments of any nature (but excluding any tax in respect of or imposed by reference to the Contractor's income, gains or corporation tax), assessed or levied in connection with the Services. VAI remains liable for any shortfall to the amount owed resulting from such taxes.

If a claim is made against the Contractor for any such tax, in connection with the Services, the Contractor shall immediately notify VAI. Except under protest, the Contractor shall refrain from paying any such taxes until obtaining VAI' written consent and, if payment is made, the Contractor shall use all reasonable efforts to obtain a refund thereof. If all or any part of any such taxes is refunded, the Contractor shall repay to VAI such part thereof as it shall have paid. The Contractor agrees that it shall make all reasonable efforts to mitigate and minimize VAI' liability.

**8. Invoicing & Payment terms** - The Contractor shall issue a detailed invoice for the Services at redelivery and VAI shall pay within 30 days from receipt of the Contractor's invoice. The Contractor shall be entitled to dispatch all invoices to VAI electronically by e-mail. The e-mail shall contain the invoice as well as related documentation.

The Contractor may issue a supplementary invoice for any supplementary Services performed after invoicing and not included in the aforementioned invoice. This supplementary invoice shall be issued within 30 days after redelivery and shall be paid within 30 days from its date of receipt by VAI.



In the event of delayed invoicing by the Contractor, VAI' payment obligations shall be abated such that they accrue solely from the date of VAI' receipt of such delayed invoice.

Any bank fees charged by VAI' bank in connection with the transfer of funds from VAI to the Contractor shall be borne by VAI and any bank fees charged by the Contractor's bank in connection with the transfer of funds from VAI to the Contractor shall be borne by the Contractor.

If VAI wishes to dispute any invoiced amount, it shall notify the Contractor as soon as practical and in any event within 21 days of receipt of the invoice. VAI shall be entitled to withhold payment of any sums after they become due by reason of any right of set-off or counterclaim which it may have or may wish to have or for any other reason whatsoever.

**9. Quality** - The Contractor shall perform all Services in accordance with its authority approved management system. Upon prior written and reasonable request, VAI shall have the right to perform quality audits of the Contractor's organization, for which purpose the Contractor shall grant the right of access to its facilities within 48 hours of receiving such written request/notice by VAI. If any such audit leads to any objections, the Parties shall meet and discuss appropriate remedies to reinstate compliance with the Contractor's management system. The Contractor shall also make available to VAI upon written request the results of any third-party audits of the Contractor' subcontractors.

**10. Warranty** - The Contractor warrants that all Services provided shall be free from defects in workmanship and shall in all material aspects comply with the quality system. If applicable, the warranty shall be limited to any defect arising within 24 months, or 2000 flight cycles or 2000 flight hours after redelivery, whichever may occur first.

A warranty claim must be raised by VAI within 30 days after the defect has or could have become reasonably apparent and the Contractor must be provided with the defective equipment for inspection and repair within 30 days after the warranty claim has been raised. If a defect arises on a non-removable part of the Equipment, the Parties shall in good faith agree how to remedy such defect in a way convenient for VAI and reasonably acceptable for the Contractor.

The Contractor shall correct any defect covered by this warranty at its own cost and expense at its premises or at any other place VAI and the Contractor may agree upon.

The Contractor does not warrant any defect in Equipment not manufactured by the Contractor or Services not provided by the Contractor. The defective part must not have been serviced, repaired, overhauled, maintained or modified by anyone other than the Contractor.

Any assignable rights to warranty granted to the Contractor by its vendors, suppliers and subcontractors shall be assigned to VAI. The Contractor shall support VAI in pursuing such warranty claim.

VAI shall have the right to assign this warranty without the prior written approval of the Contractor.

**11. Delivery** - The delivery date of the Equipment to the Contractor shall be agreed upon by both Parties and set forth in the Proposal.

Delivery of the Equipment shall only be deemed achieved between the Parties, after the Equipment have been delivered to Contractor and the maintenance documents have been provided by VAI. Upon delivery of the Equipment by VAI, the Contractor shall issue and provide to VAI a delivery certificate.

VAI may request that the Contractor supports VAI in arranging for shipment of the Equipment concerned. Any shipment arrangements made by the Contractor shall be in the name and on behalf of VAI and the Contractor shall not act as forwarding agent to VAI.

**12. Redelivery** - Upon redelivery of the Equipment, VAI shall sign and provide to the Contractor a redelivery certificate to confirm that the agreed Services have been completed.

The maintenance documentation and all records produced by the Contractor in relation to the performance of the Services as required by the authority and/or applicable law shall be completed in accordance with the requirements of the authorities and the maintenance documents shall be returned to VAI within 7 days following redelivery.

If applicable, the Contractor certifying staff shall enter in the Equipment technical log book and the Equipment cabin log book, the performed work reference, and sign it to release the Equipment and shall provide a dual EASA/FAA certificate for return to service.

**13. Liability** - The Contractor agrees to indemnify, defend and hold harmless VAI and its directors, officers, employees, agents from and against all losses, damages, or expenses of every type and character (including legal fees and court costs) for any bodily injury or property damage arising out of the Contractor's performance of Services under these General Terms except to the extent an event is attributable solely to VAI' gross negligence or wilful misconduct.

The liability and indemnification include all necessary costs, expenses and fees incident thereto. However, under no circumstances shall the liability include any indirect, incidental or consequential damages, such as, but not limited to, loss of profit or loss of revenue, except for the extent of gross negligence or wilful misconduct.

The Parties agree that the liability and indemnification set forth in this Article are exclusive and that each Party explicitly waives any other rights to claim damages or indemnification it may have at law or otherwise.

The Contractor shall bear the risk of loss to the Equipment as long as the Equipment is in the care custody and control of the Contractor or any subcontractor and nothing contained herein shall preclude any claim for the loss of or damage to the Equipment while such Equipment is in the care, custody or control of the Contractor or any the Contractor' subcontractor.

**14. Insurances** - During the term and for a minimum period of 2 years after the performance of the Services, the Contractor shall contract and maintain and shall provide VAI with a certificate of insurance evidencing the following coverage:

- Aviation General Legal Liability Insurance, including without limitation, third party, products, war, contractual and hangar keeper's legal liability risks in amount satisfactory to VAI.
- If the Contractor is in the USA, Employer's Liability Insurance with limits bodily injury of one million dollar each accident, one million dollar disease each employee, one million dollar disease policy limit, as well as compliance with applicable provincial workers' compensation legislation.

VAI, its directors, officers, employees, agents and Subcontractors shall be named as additional insureds with regard to the insurances above and such insurances shall be primary and non-contributory to any insurances carried by VAI and shall contain a severability of interest clause.

In case any of the insurances are not provided or are revoked or cancelled at any time for any reason, VAI shall have the right to terminate these General Terms by giving the Contractor 3 days written notice.

**15. Term & Termination** – These General Terms shall be effective from its date of signature by both Parties and shall continue in full force and effect until completion of the Services by Contractor as proved by the redelivery certificate and the repossession of the Equipment by VAI.

Failure by one Party to observe or to perform any of its obligation under the General Terms and failure to cure the same within 15 days after written notice by the other Party shall constitute a material breach allowing termination of these General Terms.

The termination of these General Terms shall not relieve the Parties of any liabilities, obligations, expenses or charges accrued up to the date when such termination takes effect and shall be without prejudice to any rights accruing to either Party up to said date of termination.



**16. Intellectual property rights** - Title to all intellectual property rights (including, but not limited to copyrights, trademarks, patents, inventions, utility patents registered design rights or design rights) disclosed in documents or data (including but not limited to plans, drawings, patterns or designs) supplied by VAI to the Contractor in the course of the Services shall remain with VAI or any third party which is entitled to such IP rights.

**17. Confidentiality** - The General Terms, any document produced as a result of the Services and all non-public information obtained by either Party about the other Party are confidential and shared between the Contractor and VAI only. They are not to be disclosed by a Party without the prior written consent of the other Party except:

- to its affiliates and their respective directors, officers, shareholders, employees, agents, members, partners, representatives, accountants, legal counsel and other outside professionals.
- in connection with the potential sale, lease or financing of a Flight Equipment for which Services are provided or any assignment of these General Terms.
- as required by applicable law, regulation or court order or in connection with any legal proceedings.

If any disclosure shall result in the General Terms becoming publicly available, the Parties shall use commercially reasonable efforts to obtain confidential treatment as to its commercial terms and other material provisions.

**18. Notices** - For messages and correspondence exchanged in connection with the Proposal in day-to-day business, each Party may notify the other Party in writing about suitable postal, e-mail or other addresses and telephone numbers.

Whenever written notification or notice is required under these General Terms, such notification or notice shall be given to VAI by email or by internationally recognized courier service to the following address:

VALLAIR INDUSTRY  
Attn: Claude ZAMBANO  
Aéroport Montpellier-Méditerranée  
34130 - Mauguio  
FRANCE

**19. Assignment** - Except as otherwise provided for herein, neither Party may assign delegate or otherwise deal with any of its rights or obligations under the General Terms, in whole or in part, without the prior written consent of the other Party.

**20. Amendment** - The Parties agree that the General Terms supersedes any previous arrangements between the Parties. No change or modification to the General Terms shall be valid unless in writing and signed on behalf of each Party by their authorized representatives.

**21. Waiver** - Any failure at any time of either Party to insist upon any of its rights under the provisions of the General Terms shall neither constitute a waiver of such provisions nor prejudice the rights of the Party to insist upon such provisions at any subsequent time.

**22. Severability** - Nothing contained in the General Terms shall require either Party to take any action contrary to the law, any order or regulation of any government or any permit or authorization granted to either Party by any government. If any of the provisions of the General Terms are held unlawful or otherwise ineffective or unenforceable by any tribunal of competent jurisdiction, the remainder of the General Terms shall remain in full force and the unlawful or otherwise ineffective or unenforceable provision shall be substituted by a new provision mutually agreed upon in writing by the Parties and reflecting their intent.

**23. Compliance** - Both Parties shall comply with all applicable laws, statues, regulations and codes relating to anti-bribery and anti-corruption, have and maintain in place throughout the term of these General Terms its own policies and procedures to ensure compliance and shall enforce them where appropriate.

Both Parties shall promptly report to the other Party any request or demand for any undue financial or other advantage of any kind received by the Party in connection with the performance of these General Terms.

Breach of this Article shall be deemed a fundamental breach of these General Terms.

**24. Data protection** - Within the context of their contractual relationship, the Parties commit to respect the applicable regulations on data protection, and particularly, the regulation (EU) 2016/679 of the European Parliament and of the Council of April 27<sup>th</sup>, 2016 on the protection of natural persons with regard to the processing of personal data. Each Party represents and warrants that it is responsible of its personal data processing and that the required declarations have been done and the required processes have been implemented to ensure the confidentiality and protection of these data.

**25. Applicable law** - These General Terms and any legal relationship with VAI that may arise therefrom shall be exclusively subject to and construed exclusively in accordance with the laws of France excluding its conflict of laws rules. The United Nations Convention on the International Sale of Goods (CISG) shall not apply.

**26. Jurisdiction** - In the event of a difference of opinion concerning the interpretation or the performance or the consequences of the General Terms, the Parties undertake to make every effort to reach an amicable settlement. In the absence of an amicable settlement within 30 days as from receipt of the written notification of the difference of opinion by either of the Parties by registered letter, the difference of opinion shall be submitted to the Commercial Court of Paris.

