



Air Cost Control

Worldwide Interconnect Product Support

GENERAL PURCHASING TERMS AND CONDITIONS

AIR COST CONTROL

13/08/13

1. GENERAL

1.1 A2C Terms and conditions of purchase are applied exclusively to all services provided by the Supplier. All Supplier conditions that are contrary or different from A2C purchasing conditions shall only be valid if they have been expressly accepted in writing by A2C. By accepting A2C orders, the Supplier agrees to the A2C Terms and conditions of purchase.

1.2 A2C terms and conditions of purchase also apply, without the need for an express agreement, to all future business transactions with the Supplier.

2. PURCHASE ORDERS

2.1 The extent of the Supplier's service obligations must be determined by the Purchase Order of A2C. The Purchase Order contains a complete description of the goods to be delivered and the price and the firm delivery date.

2.2 The Supplier should send an acknowledgment within two business days of receiving the Purchase Order. After this time, A2C reserves the right to cancel the Purchase Order. All confirmations of Purchase Orders received by A2C after the expiration of that period or that differ from the Purchase Orders constitute a new offer requiring the written acceptance of A2C. Purchase Order confirmations by the Supplier shall be in writing. The Supplier must inform A2C in writing of any deviation from the Purchase Order.

2.3 Cancellations by A2C are considered accepted if the Supplier does not object in

writing within three (3) business days of receipt.

3. PRICE, TRANSPORT AND PAYMENT CONDITIONS

3.1 The price stated in the Purchase Order is binding. It includes the value added tax (VAT). In the absence of written agreement to the contrary, the price must include all costs of transportation or delivery and packaging. Any other costs or expenses shall be borne by the Supplier. Unless otherwise agreed between the Supplier and A2C, the Incoterm used shall be DDP (Incoterms 2010).

3.2 Conditions and payment must be agreed upon between the Supplier and A2C.

3.3 The Supplier invoices should be sent in duplicate. The Supplier shall indicate on the invoices, shipping documents and delivery notes the order number, order date, references to parts ordered and its Supplier number for A2C. To the extent that this is not done, A2C shall not be responsible for delays that result (e.g. payment).

3.4 The Supplier shall not assign claims against A2C to third parties unless they result from deliveries with extended reservation of ownership or if A2C expressly agrees to the assignment in writing.

3.5 A2C retains the statutory rights of compensation or a right of retention. The Supplier is authorized to release or retain if its counter-claims are undisputed or established as final and absolute. Limiting Supplier's rights to retention does not apply to the extent that the right of retention results are due to the same contractual relationship as the request of A2C.

3.6 Incoterms are applicable according to the version in effect at the time of conclusion of the contract.

3.7 All parts delivered to A2C must comply with the latest version of the reference configuration. Without prior consent of A2C, parts shall be delivered in a "NEW" condition

4. DELIVERY TIMES, DELAYS, FORCE MAJEURE

4.1 The delivery time stated in the order is binding. All delivery times begin from the date of the order. If the Supplier determines it is not able to meet the delivery date, A2C must be immediately notified in writing.

4.2 Partial delivery is only permitted with the approval of A2C.

4.3 In the case of a delay by the Supplier, A2C is entitled to demand compensation for the delay, including the right to demand damages for liability to its customers if A2C

cannot deliver on time resulting from delays on the part of the Supplier, as well as of delays Supplier as well as any standard industry contractual penalties that A2C must pay to its customers due to the delay. All other statutory claims are not affected.

4.4 If the expected damage due to delay outweighs the costs for the purchase of a replacement, A2C reserves the right to cancel the order or purchase the products elsewhere without having to specify extra time for delivery. The Supplier shall bear the additional costs arising from this purchase.

4.5 If in a case wherein the parties have agreed to a delivery for a fixed date and if the Supplier fails to deliver on time, A2C has the right to terminate the contract and claim damages in place of delivery without specifying additional time for delivery. Other statutory rights and the right of A2C to survive the contract is not affected.

4.6 In case of force majeure such as war, operational disruption or transport strike, exchange rates and unpredictable currency or any other obstruction that is out of the control of A2C, A2C is entitled to demand the fulfillment of the contract at a later date without any claims for resulting damages from the Supplier. In cases where the obstruction of the delivery is not temporary or obstruction due to force majeure continues for more than two (2) months, each party has the right to terminate without compensation for faults on the part of the Supplier.

4.7 If the market situation at the time of conclusion of the agreement was to change and A2C affected to a considerable extent such that the execution of the agreement is no longer reasonable to A2C, the Supplier must negotiate with A2C a reasonable adjustment to the Agreement.

5. INSPECTION FOR DEFECTS AND LIFE CYCLE MANAGEMENT

5.1 Following receipt of the goods, A2C shall be obliged within a reasonable amount of time to examine the goods for possible deviations of quality and quantity. Notification of defects must be made within a reasonable period.

5.2 A2C has the right to audit all changes in the quality or quantity of the goods by taking significant samples, provided that it corresponds with the normal process of business and the nature and extent of delivery. If the tests on this sample shows a defect in the quality or quantity of goods, A2C is entitled to apply its guarantee for defects to the whole service.

5.3 Unless otherwise specified in writing, all products must be delivered to A2C with at least 80% of the life of the product remaining on the date of delivery.

6. QUALITY ASSURANCE AND SPECIAL REQUIREMENTS IN THE STANDARD EN 9120

6.1 The goods supplied must match the national and international legal provisions in force, regulations and directives of the government, security agencies of the government and trade associations, and with the latest technology and specifications, data, standards and quality requirements in the particular Purchase Order, in particular for export control (ITAR, EAR, the EU) or national regulations and environmental regulations (REACH, ROHS). The Supplier shall inform A2C in writing of any limitations on the use and reporting of customs duties for the goods supplied.

6.2 In order to execute and implement quality standards for aerospace distributors according to EN 9120 in the version in effect at the time of conclusion of the contract, the following provisions apply. A2C shall, in each individual case, ensure compliance with the requirements of propriety of this clause 6.2 and its subparagraphs and their implementation.

6.2.1 A2C reserves the right to request, according to the product, compliance with the following requirements:

- Requirements for approval of product, procedures, processes and equipment.
- Requirements for the qualification of personnel.
- Requirements of the Quality Management System.
- Requirements for a certificate of conformity, test reports and / or a certificate of airworthiness.
- The requirements for the design, testing, inspection, verification, use of statistical techniques for product acceptance and instructions for acceptance by A2C.

In addition, A2C reserves the right to set requirements for:

- Identification and status of the revision of specifications, drawings, process requirements, inspection / verification of instructions and other relevant technical data.

When A2C establishes the requirements of Suppliers under Article 6.2.1 only in a particular case, the Supplier must make available to A2C necessary documentation as proof of compliance with the requirement set by A2C.

6.2.2 If the obligation to make the documentation available under Article 6.2.1 does not apply, the Supplier shall make available to A2C all necessary documentation for A2C after the first request by A2C. This includes in particular - to the extent of the respective product availability - descriptions, specifications, certificates, records and test reports, operating and maintenance instructions, drawings, certificates of

airworthiness, and other necessary product approvals, evidence of staff qualifications and quality management. In any case, the Supplier shall provide to A2C – no later than the delivery – a certificate of compliance (COC) in accordance with European Union directives and other legal provisions.

6.2.3 The Supplier shall maintain documentation about a product delivered for a period of 10 years from delivery, unless another period is usually used for the corresponding products.

6.2.4 Any modification of the product, production process or production site, any change in the origin of the goods supplied and participation or modification of any subcontractor / supplier of the contractors shall be brought to the attention of A2C and requires the express written permission of A2C. In addition, the Supplier shall notify A2C of non-compliant and recalled products as soon as possible and must obtain the approval of A2C for the disposal of non-conforming products. Approval of A2C is subject to its own responsibility.

6.2.5 The Supplier shall only use employees with the required qualification for services in connection with A2C. On request, the Supplier must make proof of this qualification available to A2C.

6.2.6 Employees or representatives of A2C or its customers and representatives of public authorities, after notice, shall have access to all business premises and workplaces of the Supplier during normal business hours for the purpose of auditing or verifying the legal requirements. They can inspect all documents related to the Purchase Order. The Supplier may refuse the inspection documents if they are confidential.

6.2.7 The Supplier shall impose the requirements and obligations pursuant to this clause 6.2 and its subparagraphs and customer requirements communicated to the Supplier by A2C, its subcontractors and contracting suppliers. The Supplier must undertake to ensure that its subcontractors and suppliers communicate these requirements to their suppliers and / or subcontractors.

7. GUARANTEE

7.1 The legal guarantee for material or legal breaches must be fully available to A2C at any time.

7.2 In the case of a breach of warranty, the Supplier is required to assume all costs necessary to eliminate the defect or replace the defective goods. These must include the costs of dismantling and reassembly and all other costs related to the defect. The

Supplier shall also bear the costs that are caused or increased because the subject was moved to a place other than the place of business of A2C.

7.3 A2C has an absolute right to claim compensation for damages, including those resulting from breaches of warranty.

7.4 Requests related to defects are subject to a limitation period of 24 months after delivery of the goods to the customer from A2C but no later than three years from the date of delivery of the goods to A2C. Claims for defects in the product remain unchanged. They are subject to limitation periods and should be completed in accordance with legal regulations.

8. RESPONSIBILITY

8.1 At the first request of A2C, the Supplier shall consider A2C free from all third-party claims submitted against A2C due to a breach of duty to the Supplier, especially due to material or legal defects provided as and to the extent that the Supplier is obliged to indemnify A2C by their relationships. The Supplier shall reimburse all necessary expenses A2C supported by A2C due to the breach of obligations by the Supplier, including legal or material defects.

8.2 If A2C is held liable for a claim resulting from a non-compliance in an item delivered by the Supplier, the Supplier must release A2C on first demand from any product liability resulting from a fault where the cause is from the sphere of control and the organization of the Supplier and where the Supplier is responsible in relation to third parties. The Supplier is required to maintain adequate product insurance. New claims by A2C for damages shall not be affected.

8.3 In the context of liability for damages under Article 8.2 above, the Supplier is required to reimburse all expenses required as a result of or in connection with the recall of A2C products. A2C shall, to the extent possible and reasonable, inform and provide the Supplier the opportunity to comment on the content and scope of the recall measures to be implemented. Other statutory claims of A2C are not affected.

9. RETENTION OF TITLE

9.1 A2C retains ownership of all articles of A2C, which are in the possession of the Supplier. Treatment or processing must be performed by A2C. If the goods of A2C are processed or combined with elements not belonging to A2C, A2C acquires co-ownership of the new product in proportion to the objective market value of the items at the time of processing or mixing.

9.2 Any extended and enlarged reservations of title on the part of the Supplier -

particularly any reservation of title in relation to delivered goods pending full payment of all claims deriving from the business relationship - shall be excluded.

10. CONFIDENTIALITY

The Supplier is obliged to treat all technical and commercial information that become known to the Supplier in its relationship with A2C as confidential. The obligation of confidentiality concerns all documents, drawings, plans, models, tools and other teaching that the provider receives from A2C. They remain the exclusive property of A2C and may not be used or disclosed to third parties without the consent of A2C. At the discretion of A2C they must be completely destroyed and deleted or returned to A2C upon termination of the contract. A right of retention is excluded. The supplier shall impose the same obligation to its employees and subcontractors. The duty of confidentiality and the prohibition of the use shall not apply to any information that was already known to the Supplier or generally known in the contract or subsequently became generally known without a breach of contract of the Supplier.

11. PLACE OF PERFORMANCE, JURISDICTION AND APPLICABLE LAW

11.2 Tout 11.1 The relationship between A2C and the Supplier is governed by French law.

11.2 Any dispute regarding the existence, validity, interpretation, performance, termination of Agreements shall be in the jurisdiction of the Commercial Court of Toulouse even in cases of multiple defendants or call of guarantee.

11.3 If any provision of these terms of purchase or any provision under other agreements are invalid or become invalid, the validity of the other provisions or agreements would not be affected.

12. PRIORITY OF DOCUMENTS CLAUSE

In case of discrepancy between the French and the English text, the French text shall be given priority.

