



## GENERAL TERMS AND CONDITIONS FOR SALES & SERVICES OF PARTS

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### Art. I. Purpose

The present General Terms define the terms and conditions under which VALLAIR SOLUTIONS commits to sell and deliver Parts or to provide Services to its Customer. Save as otherwise agreed, the present General Terms shall be applicable to all Orders placed with VALLAIR SOLUTIONS.

### Art. II. Definitions

Any capitalised words, terms or abbreviations used in the present General Terms shall, unless otherwise agreed, have the meaning set forth here under:

**"Aviation Authority"** shall mean, the competent body responsible for the safety regulation of civil aviation in any relevant country;

**"Credit Agreement"** means a separate agreement executed by and between VALLAIR SOLUTIONS and one of its Customer that sets out the credit terms applicable to Order(s);

**"Customer"** shall mean a party requesting from VALLAIR SOLUTIONS to provide a Sale or a Service to be performed, as evidenced by an Order, including its employees, its successors and assignees and subcontractors as the case may be;

**"Euro"** or **"euro"** or **"€"** means the lawful currency of the European Monetary Union;

**"Facility"** shall mean VALLAIR SOLUTIONS's principal place of business, EBBC Bloc B, 6 route de Treves, Luxembourg and any other facility specified to a Customer where VALLAIR SOLUTIONS may store or provide services on Parts.

**"General Terms"** means the present terms and conditions;

**"Incoterms"** means regulations of the International Chamber of Commerce for freight forwarding, including transportation insurance, as published by the International Chamber of Commerce as "Incoterms 2010";

**"Part"** means any aircraft component specified in an Order, in relation to a Sale or a Repair;

**"Quote"** means a commercial offer issued by VALLAIR SOLUTIONS in relation to a request by a Customer for a Sale or a Service;

**"Order"** shall mean any purchase order issued by Customer to VALLAIR SOLUTIONS, for a Sale or a Service.

**"Service"** means any repair, overhaul, inspection, modification and/or testing arranged by VALLAIR SOLUTIONS on a Part, at the request of a Customer;

**"Sale"** shall mean the outright sale and purchase of a Part by VALLAIR SOLUTIONS to the Customer;

**"Third Party Supplier"** shall mean any party which is neither VALLAIR SOLUTIONS nor a Customer, from which VALLAIR SOLUTIONS may from time to time purchase some Parts;

**"U.S. Dollars"**, **"Dollars"**, **"USD"** or **"\$"** means the lawful currency of the United States;

**Art. III. Application in time**

The General Terms applicable to a specific Order shall be the ones in force on the date of issuance of the corresponding Quote by VALLAIR SOLUTIONS, unless otherwise agreed.

**Art. IV. Price Quote Issuance and Validity**

- 4.01** For each Customer interested in the Sale of and/or Service on one or several Parts, VALLAIR SOLUTIONS shall issue and transfer to Customer a Quote, based on the current price of materials, labour and other prime costs of VALLAIR SOLUTIONS, including the rate of exchange of euros.
- 4.02** All Quote shall mention the price for the Sale and/or the Service exclusive of any VAT payable.
- 4.03** Quote shall remain valid for acceptance by Customer for thirty (30) days following its issuance, save that VALLAIR SOLUTIONS reserves the right to revise or retract the Quote if the corresponding Part and/or necessary equipment for the corresponding Service are no longer available.
- 4.04** In case of acceptance of the Quote, and for all Parts to be sold and purchased and all Services to be provided and accepted thereunder, Customer shall issue an individual Order to VALLAIR SOLUTIONS. Such Order may be materialize on the Quote itself, through its formal acceptance by Customer, or on a separate form, provided such form appropriately refers to the Quote.
- 4.05** In case of inconsistency or conflict between the terms of a Quote and the provisions of these General Terms, the provisions of the Quote shall prevail. In case of inconsistency or conflict between the terms of an Order and the provisions of these General Terms or of the corresponding Quote, the provisions of these General Terms and/or Quote shall prevail, save as otherwise agreed.
- 4.06** The receipt of the Order by VALLAIR SOLUTIONS shall render the agreement between the Parties regarding the relevant Sale or Service final and irrevocable.

**Art. V. Title to and Risk on the Parts**

- 5.01** Title to and ownership of Parts subject to a Sale by VALLAIR SOLUTIONS shall remain vested with VALLAIR SOLUTIONS until VALLAIR SOLUTIONS has received from the Customer full payment in accordance with these General Terms and the Credit Agreement.
- 5.02** Title to any Part delivered by Customer to VALLAIR SOLUTIONS for performance of Services shall remain vested in Customer or its assignee.
- 5.03** Risks on all Parts are of the Customer from delivery Ex Works (Incoterms 2010) the Facility. Parts provided by Customer for Service are at the risk of the Customer until received by VALLAIR SOLUTIONS Delivered Duty Paid (Incoterms 2010) the Facility.

**Art. VI. Part(s)'s Documentation**

In case of performance of Service on a Part and unless such Part is concurrently the object of a Sale by VALLAIR SOLUTIONS, Customer shall, at its own cost, supply and deliver to VALLAIR SOLUTIONS, at its Facility, by fax or email full dispatch details of such Part (AWB Number, Flight Number and Date) and shall ensure the Part is accompanied by the following certification documents:

- (a) Part identification tag containing:

- Part number; serial number; description;
- Reason for removal; date of removal; registration of aircraft from which removed;
- Aircraft hours/cycles when item removed;
- Hours / cycles on items when removed (life limited Parts only).

(b) Packaging slip showing transfer of the Customer's Part to VALLAIR SOLUTIONS;

(c) ATA spec 106 material certificate issued by FAA Part 121/129/135 carrier or FAA/EASA 145 approved maintenance facility or nationally approved (by the CAA) for an air carrier with a statement that:

- the Part was not procured from any US Government or military source;
- the Part was produced by the Original Equipment Manufacturer;
- the Part is non-incident related and has not been subjected to severe stress or heat or immersed in salt water;
- the Part is fully traceable to one of the following approved sources:
  - Original Equipment Manufacturer;
  - FAA Part 121, 129 or 135 certified carrier;
  - FAA/EASA 145 approved maintenance facility; or
  - Foreign air carrier, approved by a recognised national aviation airworthiness authority.

(d) Full records and traceability documents for time/cycle life limited Parts.

(e) Full "back to birth" traceability documents for ultimate time/cycle life limited Parts.

## **Art. VII. Authorizations**

**7.01** As the recorder, importer and exporter of the Parts, the Customer will be responsible for obtaining any import license, export license, exchange permit or other required governmental authorization relating to the Parts and shall be responsible for complying with all Luxembourg and foreign government licensing and reporting requirements in connection with these General Terms. If required by VALLAIR SOLUTIONS, the Customer shall make any such licenses and authorizations available to VALLAIR SOLUTIONS prior to the relevant Quote. VALLAIR SOLUTIONS will have no liability for any non-renewal, denial, restriction or delay in respect of any Customer application for a license, permit or authorization.

**7.02** The Parties agree that any export of Parts pursuant to these General Terms may be subject to U.S. Export Administration Regulations, the International Traffic in Arms Regulations and other export control requirements of the U.S. (together, the "U.S. Export Regulations"). In respect of any Part provided by VALLAIR SOLUTIONS, the Customer agrees not to:

(a) dispose of any U.S. origin items classified by the U.S. Department of Commerce's Bureau of Industry and Security as "Dual Use" items other than in the country of destination, as identified in any government license or authorisation for the Part constituting or pertaining to such U.S. origin item; and

(b) lease, exchange or dispose of any U.S. origin items to any Country, company or individual that is either (i) required by US Export Regulations to hold a licence to receive the goods (and does not hold the required licence); or (ii) is prohibited from receiving U.S. exports by U.S. Export Regulations, as amended from time to time.

- 7.03** Customer shall maintain insurance appropriate to its operations and in accordance with best aviation industry practice and shall provide evidence of the same if requested by VALLAIR SOLUTIONS.
- 7.04** The Customer agrees to indemnify VALLAIR SOLUTIONS against all taxes (other than corporation tax of VALLAIR SOLUTIONS), levies, duties, charges, assessments or withholdings of any nature for which VALLAIR SOLUTIONS may be liable by operation of these General Terms and for any legal costs incurred by VALLAIR SOLUTIONS in enforcing any of its rights in respect of these General Terms.

#### **Art. VIII. Storage of Parts**

- 8.01** VALLAIR SOLUTIONS shall store all Parts delivered by the Customer for Services or available for delivery under a Sale in a dedicated, segregated and appropriately controlled location and shall safeguard and clearly mark such Parts as belonging to Customer until such Parts are returned or delivered to Customer.
- 8.02** Parts will be handled, insured and treated with care in accordance with industry practice and the requirements of the relevant Aviation Authority.

#### **Art. IX. Condition of Parts**

- 9.01** Customer shall have the sole responsibility for ensuring that the Services requested and performed under the Agreement satisfy the requirements of the relevant Aviation Authority. However and when possible, VALLAIR SOLUTIONS shall assist and support Customer with all reasonable means in its relationship with such Aviation Authority regarding the compliance to the said requirements.
- 9.02** VALLAIR SOLUTIONS warrants that all Parts supplied in “overhauled”, “repaired” or “serviceable” condition, will be released in accordance with EASA/JAR and/or FAR regulations as applicable and will be free from defects in material and workmanship under normal use and service in accordance to the following:
- (a) for “overhauled” and “repaired” Parts: relevant MRO warranty;
  - (b) for “serviceable” Parts: thirty (30) days from the date of delivery notified by VALLAIR SOLUTIONS.
- 9.03** VALLAIR SOLUTIONS warrants that all Parts supplied in “as removed” condition, will be repairable.
- 9.04** Any Part supplied by VALLAIR SOLUTIONS in “overhauled”, “repaired” or “serviceable” condition which is to be later found defective and unserviceable or any Part supplied by VALLAIR SOLUTIONS in “as removed” condition which is to be later found beyond economic repair, may be returned to VALLAIR SOLUTIONS for credit, provided the request by the Customer for such return is notified within fourteen (14) days from the date of the shop report evidencing that VALLAIR SOLUTIONS’s warranty is acquired.
- 9.05** Notwithstanding anything to the contrary herein and unless the Part is defective, the Customer may not return to VALLAIR SOLUTIONS for credit any Part specifically purchased by VALLAIR SOLUTIONS from a Third Party Supplier for onward sale.
- 9.06** If the Parties do not reach an amicable agreement on whether or not a defective Part is subject to the above warranties, the Parties, acting reasonably, will appoint an independent technical expert who will give its advice on the application of the warranty as described herein. The

Parties hereby accept to be bound by the advice of such expert, the costs of which shall be shared equally between the Parties, regardless of his advice.

**Art. X. Delivery of Parts**

- 10.01** The Parts shall be delivered Ex Works in accordance with Incoterms 2010 at the Facility and the Customer shall be ready to collect them when notified by VALLAIR SOLUTIONS. The Customer shall reimburse any additional expense incurred by VALLAIR SOLUTIONS due to the Customer not being reasonably ready or able to collect Parts when requested to do so.
- 10.02** Whether in relation to a Sale or a Service, VALLAIR SOLUTIONS shall provide an estimated delivery date, on request by the Customer and will use reasonable endeavours to meet any such estimated delivery date or any delivery date that may be requested by the Customer.
- 10.03** VALLAIR SOLUTIONS shall not be liable in any way in respect of late delivery howsoever caused nor shall failure to deliver in accordance with a delivery date be deemed to be a breach of contract. In particular, delays in the fulfilment of an Order shall not entitle the Customer to:
- (a) Refuse to take delivery of the completed Order; or
  - (b) Claim damages.
- 10.04** VALLAIR SOLUTIONS has the legal right to exercise a repairer's lien on any Parts scheduled to be delivered to a Customer, pursuant to a Sale or a Service, in security of all outstanding amounts owed by such Customer to VALLAIR SOLUTIONS hereunder or pursuant to any other agreement between the Parties.

**Art. XI. Packaging of Parts**

- 11.01** Parts dispatched by VALLAIR SOLUTIONS shall be in packaging suitable for transportation IAW ATA Spec 300 requirements. VALLAIR SOLUTIONS reserves the right to charge for any special packaging requirements of the Customer.
- 11.02** Packing materials, containers, etc. provided by VALLAIR SOLUTIONS are returnable, unless otherwise agreed. Where such packing materials are charged as an extra, credit will be allowed if returned carriage has been paid and the packing is received in good condition.

**Art. XII. Excusable Delay**

Neither Party shall be considered in breach of these General Terms nor liable for delay in performing, or failure to perform, any of its obligations under these General Terms if such delay or failure results from events, circumstances or causes beyond its reasonable control, and in such circumstances the affected party shall be entitled to a reasonable extension of the time for performing such obligations, provided that it should use its best efforts to remove the causes of such Excusable Delay.

**Art. XIII. Subcontracting of Services**

VALLAIR SOLUTIONS shall have the right to subcontract the performance of all or part of the Services it normally subcontracts.

**Art. XIV. Intellectual Property**

The performance by VALLAIR SOLUTIONS of the Services shall not constitute in any way for Customer a transfer or any right of use, of all or part of the intellectual property rights owned by VALLAIR SOLUTIONS or licensed to it by any third party and VALLAIR SOLUTIONS shall remain the exclusive owner of any intellectual property rights related to the Services as, but not limited to: job cards, task cards or industrial process.

**Art. XV. No representation**

- 15.01** Except as otherwise specified herein, VALLAIR SOLUTIONS makes no warranty or representation of any kind with respect to any Sale or Service as to merchantability, fitness for purpose, condition, quality, material design suitability, workmanship or operation of any kind or nature. All other conditions warranties or representations expressed or implied statutory or otherwise are, to the fullest extent permitted by law, expressly excluded.
- 15.02** In relation to the Sale of a Part or the provision of a Service, VALLAIR SOLUTIONS shall not be liable to the Customer for:
- (a) Any indirect, special or consequential loss or damage; or
  - (b) Loss of data or other equipment or property; or
  - (c) Economic loss or damage; or
  - (d) Incurring of liability for loss or damage of any nature whatsoever suffered by third parties, other than death or personal injury (including in each case incidental and punitive damages); or
  - (e) Any loss of actual or anticipated profit, interest, revenue, anticipated savings or business or damage to goodwill, including any AOG related losses or claims of any kind.
- 15.03** VALLAIR SOLUTIONS's total liability in contract (including for any statutory interest payable), tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of an Order (including for any statutory interest payable) shall be limited to the Order value.

**Art. XVI. Payment Terms**

- 16.01** All invoices shall be paid prior to the delivery of the corresponding Part(s) or the provision of the corresponding Services, unless otherwise agreed.
- 16.02** If Customer wishes to dispute any invoiced amount, it shall notify VALLAIR SOLUTIONS as soon as practical and in any event within fourteen (14) days of the date of invoice. If Customer does not notify VALLAIR SOLUTIONS of a dispute within such time period, the invoice shall be deemed accepted. If Customer does notify VALLAIR SOLUTIONS of a dispute in the time frame required, Customer shall pay that part of the invoice not in dispute when due.
- 16.03** For each amount not paid by the Customer in compliance with the present General Terms, VALLAIR SOLUTIONS shall be entitled to ask for a late payment interest calculated at a rate which will be equal to the sum of (i) the rate applied by the European Central Bank to its most recent main refinancing operations and (ii) eight percentage points for the period from the due date to the date of payment.
- 16.04** In case of delay or dispute of payment of an invoice, VALLAIR SOLUTIONS shall be entitled to compensate any payments that may already have been made for the provision of a Part or the performance of a Service with any amount owed for the performance of another Service or the provision of another Part.

- 16.05** The Customer shall not be entitled to withhold payment of any sums after they become due by reason of any right of set-off or counterclaim which the Customer may have or may wish to have or for any other reason whatsoever.

#### **Art. XVII. Termination of an Order**

- 17.01** An Order may be cancelled by a Customer, provided that such cancellation shall be notified in writing:
- (a) for a Sale, prior to the date specified by VALLAIR SOLUTIONS for delivery, or the Customer may be charged by VALLAIR SOLUTIONS a 150.00 euros restocking fee per line item;
  - (b) for a Service, prior to the date agreed with Customer for receipt by VALLAIR SOLUTIONS of the relevant Part; or the Customer may be charged by VALLAIR SOLUTIONS for the whole price quoted in the Quote for such Service.
- 17.02** In addition to any such rights and remedies to which it may be entitled, VALLAIR SOLUTIONS may terminate any Order, without any liability or indemnity, if the Customer is in breach of its obligation under the General Terms, the Quote or the Order and fails to cure within thirty (30) days after written notice.
- 17.03** VALLAIR SOLUTIONS shall also be entitled to suspend or terminate further Sales or Services under this and/or any other agreement between the parties hereto, immediately and without any liability or indemnity, if the Customer:
- (a) fails to take delivery of any Parts; or
  - (b) is in breach of Art. VII (Import and Export Licences and Regulations); or
  - (c) fails to pay any amount due under these General Terms or the Credit Agreement within seven (7) days of the due date; or
  - (d) becomes bankrupt or suffers any similar or analogous action in consequence of any unpaid debt to any person or company.
- 17.04** If any Order is terminated by VALLAIR SOLUTIONS, pursuant to the present article:
- (a) the Customer shall immediately pay all fees and charges properly falling due under these General Terms or the Credit Agreement.
  - (b) VALLAIR SOLUTIONS shall have the right to retain or retake possession of any Part for which a Sale has occurred or a Service has been provided, if the price agreed to be paid for such Sale or such Service has not been paid.

#### **Art. XVIII. Miscellaneous**

- 18.01** An Order cannot be assigned, transferred or sub-contracted to any third party without VALLAIR SOLUTIONS's prior written consent.
- 18.02** If any provision of these General Terms (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of these General Terms, and the validity and enforceability of the other provisions of these General Terms shall not be affected. In addition, if a part of these General Terms becomes invalid, the parties will endeavour in good faith to reach agreement on a replacement provision that will reflect, as nearly as possible, the intent of the original provision.

- 18.03** Any failure at any time of VALLAIR SOLUTIONS 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 VALLAIR SOLUTIONS to insist upon such provisions at any subsequent time.
- 18.04** All non-public information obtained by Customer from VALLAIR SOLUTIONS, as a result of a Sale or Repair, shall be kept confidential and shared between VALLAIR SOLUTIONS and Customer only; they are not to be disclosed by a Customer, without the prior written consent of VALLAIR SOLUTIONS, to third parties except as required by law.

**Art. XIX. Governing law and settlement of dispute**

These General Terms, and any dispute arising from it (including non-contractual disputes or claims) shall be interpreted in accordance with the laws of Luxembourg and the parties agree to be bound by the exclusive jurisdiction of the Courts of the Grand Duchy of Luxembourg.