

GENERAL TERMS AND CONDITIONS OF SUPPLY

1. General : These general terms and conditions of sale ("the Terms") shall apply to all quotations, proposals ("Proposal") and sales made by HYDRAULIC REPAIR AND SUPPORT ("HYDREP") for the performance of services and/or supply of goods to the customer ("Customer") in relation to aircraft maintenance support.

2. Order : Any order placed by the Customer with HYDREP or the acceptance of, or the payment for any product or service shall be deemed as Customer's unconditional acceptance of these Terms. Notwithstanding the foregoing, (i) should the Terms conflict with the conditions contained in a specific agreement entered into between HYDREP and Customer, the conditions of such specific agreement shall govern, and (ii) the specific conditions of the Order (as defined herein) having a technical, commercial or administrative purpose prevail over the Terms. The Terms shall prevail over any general purchase conditions related to or contained in a purchase order or other document submitted by Customer, notwithstanding any provisions contained therein.

Any Proposal issued by HYDREP constitutes a firm and valid offer for the duration specified in such Proposal, or (if not specified) for a duration of thirty (30) days from the date of the Proposal issuance. Any supply of products and/or performance of service shall be subject to due ordering by Customer in writing and acceptance or confirmation of the Order by HYDREP. An order issued by Customer is only binding (i) upon acceptance or confirmation by HYDREP of the order, or (ii) if HYDREP starts performing the services or delivering the goods (the "Order"). No cancellation, modification or reduction of an Order shall be made without HYDREP' prior written consent. Should an Order be cancelled for any reason, HYDREP reserves the right to charge Customer for any kind of preparation made, service performed in whole or in part and/or product ordered in connection with the Order, and to retain in advance payment made by Customer. Modification or reduction to the Order may result in an additional charge to Customer and/or an additional lead-time.

3. Prices : The prices do not include any duties, taxes, freight or packing or other charges, except when otherwise expressly agreed in writing between the parties. Charges are subject to currency exchange rate evolution between repair estimate and invoice date. All taxes, duties, fees or other assessments, including interests and penalties in connection therewith are for Customer's account, with the exception of those imposed on corporate income and net profit of HYDREP levied by the French government.

4. Invoicing and Payment : For any Order exceeding one hundred thousand EURO (100,000.00 EUR) a forty (40%) percent down payment shall be paid by the Customer no later than the date of confirmation of the Order. Any other amount due by Customer to HYDREP is payable in cash, upon delivery of the goods or performance of work and/or service, unless otherwise agreed between the parties. Payment shall be made by wire transfer to the relevant bank account as specified by HYDREP, in the currency indicated on the invoice. If any payment due to HYDREP is not received on the due date, a demand to pay shall, *ipso facto*, be deemed given as of that date and HYDREP shall have the right, without prior written notice, to claim interest from Customer at the rate of one percent (1%) of the invoice price per month calculated *prorata temporis* as from the due date until the day when full payment is received. Such right shall be without prejudice to HYDREP' other rights including but not limited to the right to suspend deliveries to Customer until such due payment is received or to claim for the immediate payment of any outstanding amount. Customer shall also have to pay a fixed indemnity of 10% of the amount overdue, with a minimum of five hundred (500,00) EURO, without prejudice to the rights of HYDREP of claiming from Customer the reimbursement of legal expenses and costs, including reasonable attorney fees. Customer shall not be entitled to withhold any payment of any part of an invoice, nor shall Customer set off any amount against invoices. Any invoice not disputed in writing with detailed indication of the reason thereof within fifteen (15) days from the invoice issuance date will be deemed irrevocably accepted by Customer. Customer agrees that a right of retention and a pledge exist on equipment or property (including aircraft or data) which is in the custody of HYDREP or present in HYDREP' premises, for the due payment of Customer's debts. HYDREP shall retain title to

goods sold or exchanged to Customer until full payment of the entire price thereof by Customer.

5. Delivery and Transportation : Goods sold or products on which work and/or services are to be performed shall be sent DELIVERED DUTY PAID (DDP - Incoterms ICC 2000) to HYDREP' facilities and (re-)delivery by HYDREP shall occur EX WORKS (EXW - Incoterms ICC 2000) HYDREP' facilities, except if otherwise agreed or specified herein. Any item shall be transported in accordance with ATA 300 standards (for air transport), ADR regulations (for transportation by road), and regulations of the country of destination and/or manufacturers' requirements. For any shipment of dangerous goods, the relevant item shall be packed in accordance with the latest IATA "Dangerous Goods Regulations". Neither party shall bear any risk associated with transportation in the event of faulty or unsecured packing under the other party's responsibility and not in accordance with the above. Should HYDREP and/or its subcontractors be in charge of shipment, the liability of HYDREP for any loss or damage to goods and for any consequences thereof attributable (in whole or in part) to the shipment operation undertaken by HYDREP and/or its subcontractors, is strictly limited to the indemnification ceilings as fixed by the Geneva Convention 19 May 1956 in case of carriage by road (national or international) or by the Warsaw Convention 12 October 1929 as amended by Montreal Convention 28 May 1999 in carriage by air (national or international). Customer acknowledges that the services or goods (including without limitation data, commodities, technology or software) supplied by HYDREP under the Terms may be subject to export control laws and regulations, and diversion contrary to such laws and regulations is prohibited. Customer shall indemnify and hold HYDREP harmless against any damages, losses or fees of any kind imposed as a result of Customer' failure to comply with any applicable export control law or regulation.

6. Quality requirements : Customer acknowledges that HYDREP is a Part 145 organisation, and Customer accepts to cooperate under the requirements set out by the applicable aeronautical authorities. The continuing airworthiness of the relevant aircraft is the responsibility of Customer (and/or the operator) and Customer shall order all work and services to be performed in that respect. Customer shall have the maintenance schedule and aircraft airworthy conditions approved by the relevant Aviation Authority. Customer shall supply to HYDREP all up-to-date technical data and information deemed reasonably necessary by HYDREP. HYDREP shall be entitled to subcontract performance of the services to a duly qualified party, including to its affiliates. Performance: HYDREP' delivery date is not binding, unless expressly otherwise agreed in writing. HYDREP shall not be liable nor deemed to be in default for any failure to perform its obligations due to *force majeure* or any other cause beyond its reasonable control and which prevent HYDREP from performing its obligations, in total or in part, such as but not limited to: (i) acts of God or public enemy, act of civil or military authorities, any law, decision, regulation, directive or other act of any government, of the European Union or the EASA/FAA authorities, or of any department, commission, board, bureau, agency, or court, war or civil war, armed hostilities, insurrection, riot, acts of nature, fire, flood, explosion, earthquakes, natural disaster, accident, total or constructive total loss, epidemic, quarantine restrictions, labour dispute in particular external strike, lockout or serious accidents (resulting in the cessation, slowdown or stoppage of work), embargoes; (ii) delay or failure of Customer to deliver as agreed the relevant item or supplies, the required documentation or information; (iii) delay or failure on the part of a third party supplier or vendor to procure materials, accessories, equipment, parts, tools and/or documentation, after due and timely diligence; (iv) campaign changes or manufacturer' design failure; (v) unforeseen major defect on the item to which the performance of services are related; or (vi) additional services or changes requested by Customer and not agreed at the time of the Order.. When HYDREP demonstrates that one of the abovementioned events has caused a damage or a delay, the *force majeure* is presumed.

In the event that (a) HYDREP supplies goods to Customer: the goods shall be deemed accepted upon delivery, unless the Customer notifies in writing any non-conformities and/or apparent defects on the accompanying transport document; (b) HYDREP installs the

goods for Customer: the goods shall be deemed accepted upon installation, unless the Customer notifies in writing any non-conformities or apparent defects after inspection and test immediately following installation; (c) HYDREP perform a service: within seven (7) calendar days after performance of the service, Customer shall notify HYDREP of its rejection of the performed service, should it not comply with the one ordered. Any rejection shall specify the nature and scope of the deficiencies in such a service. If no rejection is reported in writing within the term of seven (7) days, the performed service will be deemed definitively accepted by Customer. Notwithstanding anything to the contrary within the Terms, Customer will bear all risk of loss of or damage to or caused by such goods from the time that they are delivered to Customer in accordance with the above.

7. Liability - Warranty – Remedies :

7.1 - Customer waives, releases and renounces – and shall cause its insurers and any person having an interest in the aircraft under maintenance or any part thereof to waive, release and renounce – any and all claims, remedies and rights of recourse or subrogation (whether in contract, in tort or otherwise) against HYDREP, its insurers, directors, officers, employees, servants, agents, suppliers and subcontractors, and Customer holds them harmless against any claim (including from a third party) for any damage whatsoever (including but not limited to death of or injury to persons, and loss of or damage to an aircraft or a good or product incorporated or not) arising out of any cause whichever it may be (whether or not in the course of performance of work and/or services and/or supply of goods).

7.2 - Notwithstanding clause 7.1 but without prejudice to clauses 7.4 and 7.5 and subject to the limitations set forth therein, HYDREP warrants that the work and services performed by HYDREP are free from defect in workmanship and that the parts manufactured by SABENA TECHCNICS (if any) are free from defect in material, for the warranty period specified by HYDREP and (if not specified) for three (3) months or five hundred (500) flight hours from the date of (re-)delivery to Customer, whichever occurs first. This warranty will be applicable provided that: (i) Customer notifies HYDREP of its claim and delivers a written report to HYDREP within eight (8) days from discovery of the suspected defect, (ii) the defective item or part has not been altered, repaired or overhauled by a party other than HYDREP or its duly appointed subcontractors; (iii) the defective item or part has not been subjected to FOD, misuse, neglect, accident, third-party manufacturer design failure, inherent vice or latent defect; and (iv) the defective item or part has not been stored, handled, packed, maintained, installed, shipped, cared or operated not in accordance with the latest recommendations, specifications, requirements or instructions of the manufacturer or of the relevant regulatory bodies or agencies. HYDREP' sole obligation with respect to the warranty is to correct such defective products or work, by repair or replacement at HYDREP' option. HYDREP' liability shall never exceed the price of the product or service covered hereunder, which means that the cost of any replacement product and/or the cost of any repair or corrective work will be invoiced by HYDREP to Customer and Customer will pay such invoice to the extent that it exceeds the price of the defective product or service. Should any technical data prepared by HYDREP contain any non conformity or defect, the sole and exclusive liability of HYDREP shall be to take all reasonable steps to, at its option, correct or replace such technical data. In respect of any part or goods sold by HYDREP pursuant to the Order but not manufactured by HYDREP, should HYDREP have obtained in its capacity as buyer a supplier warranty, that portion of the warranty remaining shall be transferred to Customer in the same conditions as obtained by HYDREP from its supplier. No further compensation for any other claim or damage, including without limitation for any damage to the aircraft, shall be granted by virtue of the warranty provided by this article 7.2, without prejudice to article 7.3.

7.3 - Notwithstanding clause 7.1 but without prejudice to clauses 7.4 and 7.5 and subject to the limitations set forth therein, HYDREP will remain liable for the damage caused by the gross negligence ("faute lourde") or wilful misconduct of HYDREP, its directors, officers, employees, servants, agents or subcontractors. Should Customer claim that a damage is due to gross negligence or wilful misconduct on the part of HYDREP, Customer bears the burden to demonstrate that such damage is due to HYDREP' gross negligence or wilful misconduct. HYDREP shall provide all reasonable cooperation in that respect. Failing such demonstration, HYDREP shall not be held liable in any respect.

7.4 - Notwithstanding any other clause, HYDREP shall never be liable and Customer hereby waives, releases and renounces all rights and claims against HYDREP to the fullest extent permitted by law for any special, incidental, consequential, punitive or indirect losses and damage of any kind whatsoever (including without limitation loss of use, revenue or profits, loss of prospective economic advantage, loss of customers, loss of data, costs incurred as a result of the lease of a spare aircraft or item or other costs resulting from the unavailability of an aircraft or item, accommodation and compensation of passengers, or immaterial damage), for any reason whether arising in contract (including warranty according to article 7.2 hereof) or otherwise.

7.5 - HYDREP' warranty and liability obligations resulting from clauses 7.2 to 7.4 are exclusive and in substitution for, and Customer waives, releases and renounces, all other warranties, obligations and liabilities of HYDREP and all other rights, claims or remedies of Customer against HYDREP and/or its insurers, express or implied, arising by law or otherwise, with respect to any non conformity or defect in any product delivered or service or work performed, including but not limited to (A) any warranty against hidden defects, (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 warranty against infringement, (E) any obligation, liability, right, claim or remedy (whether in contract, in tort or otherwise).

8. Insurance : Customer shall maintain its own insurance policies to cover any liability it may incur under the Terms in an amount satisfactory to HYDREP. Customer shall provide HYDREP with certificates of insurance evidencing the coverages set forth above.

9. Confidentiality and Proprietary Information : Any information, document or data of whatever nature and support, commercial or otherwise, transmitted by HYDREP to Customer in connection with the Order and/or the supply of services or goods shall be deemed confidential information and, Customer undertakes not to disclose any such information, document or data to any third party for any reason whatsoever, and not to copy or reproduce any such information, document or data, without HYDREP' prior written consent, except (i) as may be required by law, (ii) for information in the public domain and/or accessible to the general public, (iii) for the internal use of Customer' representatives or agents only on a need-to-know basis. Should the performance of the services by HYDREP result in the creation and development of any intellectual or industrial property right, HYDREP shall have full title and interest in such right..

10. Miscellaneous : HYDREP shall, without prejudice to HYDREP' other rights, be entitled to suspend the performance of its obligation and/or terminate the Order (in whole or in part) by written notice and without need of judicial recourse, should Customer fail to remedy any breach of its obligations. 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 HYDREP. In the event that any provision of the Terms should for any reason be held ineffective, the remainder of the Terms shall remain in full force and effect. Provisions contained or referred to in Customer's order neither cancel nor modify nor add to the present Terms, unless otherwise agreed in writing between the Parties. The failure to enforce at any time any of the Terms or to require performance of same shall in no way be deemed to be a present or future waiver of the relevant Terms.

11. Governing Law and Jurisdiction: The contractual relationship shall be governed by the Terms and by the laws of France. The United Nations Convention on international sales of goods (Vienna - 1980) is not applicable. Any claim against HYDREP shall be submitted to the exclusive jurisdiction of the commercial Court of Saint Malo. HYDREP may, at its option, institute legal proceedings against Customer at the Courts of Saint Malo or the Courts of the country where Customer's registered office is located.

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