GENERAL PURCHASING CONDITIONS

EDAC Technologies

1 - DEFINITIONS 3
2 - CONTRACTUAL DOCUMENTS 4
3 – MODIFICATIONS TO SPECIFICATIONS 5
4 - ORDERING PROCEDURE 5
5 - DELIVERY 6
6 - DEADLINES 6
7 – ACCEPTANCE, INSPECTION & REJECTION OF SUPPLY 7
8 - TRANSFER OF OWNERSHIP 8
9 – BUYER EQUIPMENT 8
10 - PRICE – INVOICING – PAYMENT TERMS 8
11 - WARRANTY 9
12 – INDEMNIFICATION 9
13 - STOCK 9
14 – CONTINUITY 10
15 - INTELLECTUAL PROPERTY 10
16 – INSURANCE 11
17 - COMPLIANCE OF THE SUPPLY WITH REGULATIONS AND STANDARDS 12
18 – CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM 12
19 - SUPPLY'S PERFORMANCE AT THE BUYER'S SITE 12
20 –PROPRIETARY INFORMATION 13
21 – OFFSET 14
22 - FORCE MAJEURE 15
23 - TRANSFER – ASSIGNMENT – SUBCONTRACTING 15
24 –EXPORT CONTROL 15
25- STANDARDS OF BUSINESS CONDUCT 16
26 – COMPLIANCE WITH LAWS 16
27 - TERMINATION 17
28 - ETHICS 18
29 - MISCELLANEOUS 18
30 - APPLICABLE LAW – JURISDICTION 18
APPENDIX 1 20
APPENDIX 2 ..... *22*

THE PURPOSE OF THESE GENERAL PURCHASING CONDITIONS IS TO DEFINE THE TERMS AND CONDITIONS FOR PLACING AND PERFORMING ORDERS FOR PRODUCTS AND/OR SERVICES PURCHASED OR LEASED BY EDAC TECHNOLOGIES CORPORATION.

1 - DEFINITIONS

Acceptance Report: Document issued by the Buyer, signed by both Parties, confirming the acceptance of the Supply.

Affiliate: Any entity that directly or indirectly controls, is controlled by, or under common control of EDAC Technologies Corporation ("EDAC").

Buyer: EDAC or the EDAC Affiliate that issues an Order referencing these General Purchasing Conditions, or any successor or assignee of Buyer.

Declaration of conformity: Document given by the Supplier, under its own responsibility, declaring the conformity of the Supply with respect to specifications, all applicable standards and other regulations in force.

Delivery Date: The date of delivery of Supply or Services as specified in the Order or related agreement.

Documentation: Any document issued or provided by the Supplier necessary for the achievement of manufacture (including controls and trials), installation, use, operation, maintenance, repair and overhaul of the Supply and/or Specialized Equipment by the Buyer.

Final Customer: Customer of the Buyer, which is the Buyer of engines components, assemblies, or equipment and/or of services incorporating the Supply, the company maintaining the engine or equipment, or the ultimate owner, lessee, or operator of the Supply.

Entrusted Property: Items entrusted by the Buyer to the Supplier and placed under the control and responsibility of the Supplier, including any procurements and Specialized Equipment related to performance of the Order.

General Purchasing Conditions: These general purchasing conditions pursuant to which orders are issued to Supplier.

Intellectual Property: All inventions, patents, software, copyrights, mask works, industrial property rights, trademarks, trade secrets, know-how, proprietary information and rights and information of a similar nature. Such information includes, without limitation, designs, processes, drawings, prints, specifications, reports, data, technical information, and instructions.

Lead Time: The maximum time within which Supplier agrees to deliver Supply after receipt of an Order. Lead Times are measured based on the date of receipt of the relevant Supply at Buyer's facility.

Official Authorities: Any national or international organization with the authority (including by delegation of a public authority) to monitor the performance of the Supply including but not limited to certification organizations for aeronautical products or services or business audit organizations.

Order: Document, regardless of the form, sent by the Buyer to the Supplier, initiating the purchase or the lease of a Supply and including but not limited to the designation of the Supply, the deadlines, and the price.

Party (ies): The Buyer and/or the Supplier.

***Prime Contract**: The Government or Commercial Sales Contract between the Buyer and Buyer's Customer.*

Results: Any information or, regardless of its medium or form, including but not limited to processes, data, software, molds, dies, tooling, equipment, sets of documents, plans, technical sheets, drawings, models, prototypes, sets of trials, or any other element, which is produced or developed for the Buyer on the basis of plans and/or diagrams and/or any other specifications of the Buyer in the course of the performance of the Order. Any Results are part of the Supply and are the property of the Buyer.

Services: Any effort performed by Supplier necessary or incidental to the delivery of Supply, including, without limitation, design, engineering, installation, repair and maintenance. The term "Services" also includes any effort required by an Order.

Specialized Equipment: Equipment financed or supplied by the Buyer to the Supplier for the performance of the Order or which is the object of the Order, including but not limited to transport frames, manufacturing and assembly circuits, special tools and in particular special cutting tools and special control gauges, forge and foundry equipment, coding software tools and rack testing**.**

Specifications: Any document setting out the requirements that the Supplier or the Supply shall comply with, the Buyer's needs, and the performance conditions of the Supply including, but not limited to drawings, instructions and standards, as such requirements are specified and/or referenced in Orders, and are modified from time to time by Buyer.

Supplier: Natural person or legal entity providing Supply and/or Services or otherwise performing work pursuant to an Order.

Supply: goods, parts, supplies, software, drawings, data, reports, manuals, or items that are required to be delivered pursuant to, or in connection with, an Order; such services as are necessary and incidental to the delivery of Supply under any Order; and the Documentation and the documents required by applicable regulations and standards.

2 - CONTRACTUAL DOCUMENTS

2.1 These General Purchasing Conditions i define the terms and conditions for placing Orders for Supply. They may be completed, clarified, or amended by special terms and conditions in a separate document negotiated and signed by the Supplier and the Buyer. They may also be completed by Specifications.

The precedence of terms and conditions that may be included in separate documents is as follows:

1. The Order;
2. Any written agreement and exhibits concurrent with the Order ;
3. These General Purchasing Conditions;
4. The Specifications.

In the event of contradiction between two documents with a different ranking, the document with the higher ranking shall prevail.

2.2 By accepting the Order, including by the beginning of the performance of the Order, the Supplier accepts the General Purchasing Conditions without any reservation. These contractual documents constitute the entire agreement between the Parties and any additional terms included with the acceptance are hereby rejected.

No supplement or modification to the contractual documents shall be binding unless it is in writing and signed by the Parties.

3 – MODIFICATIONS TO SPECIFICATIONS

3.1 The Buyer may modify at any time the Specifications that shall be applied to Orders following the procedure established by the Buyer.

3.2 The Supplier shall provide without delay to the Buyer a detailed assessment of the modification and its impact on prices, deadlines, quality, the Specialized Equipment, the retrofit kits of Supply already delivered, and the precise situation with respect to stocks and work-in-process. An Order amendment issued by the Buyer shall provide for the conditions agreed between the Parties for the delivery of future Supply.

3.3 Any modification necessary to ensure the continuing airworthiness of the Supply or to prevent the Official Authorities from refusing, withdrawing or restricting their approval, shall immediately be made by the Supplier. Costs related to such modification shall be agreed upon between the Parties. The costs due to a failure to comply with the Specifications shall be solely born by the Supplier.

4 - ORDERING PROCEDURE

4.1 The Supplier and the Buyer may exchange electronic data for the performance of the

Order. The applicable conditions to these exchanges are provided in Appendix 1.

4.2. The Supplier is solely responsible for determining the resources required to perform the Order and shall obtain all necessary rights and information to perform the Order.

4.3. The Order shall be deemed to have been accepted by the Supplier upon the occurrence of the first of the following two events:

- Receipt by the Buyer of acknowledgement of receipt of the Order signed by the Supplier, without modifications, within fifteen (15) calendar days starting from the date on which the Order was issued;
- The beginning of the performance of the Order by the Supplier, without its written reservations on the contractual documents within the period above.

4.4 The Supplier shall promptly inform the Buyer in writing of any situation concerning the Order that might jeopardize proper performance. In particular, it shall inform the Buyer should its business become the subject of bankruptcy proceedings (insolvency, receivership or liquidation subject to court supervision), or should any equivalent situation occur, such as the winding-up or total or partial transfer of its business activity, or in the event of any modification of its organizational structure that might jeopardize the proper performance of the Order.

When authorizations, whatever their nature, are required in the framework of an Order, the Supplier, before the completion of the Order, shall ensure that all the necessary authorizations have been obtained so that the Buyer is free from any actions or proceedings in this respect.

4.5. The Supplier's quality system shall meet the quality requirements applicable to the suppliers as stated in the procedures or any other documents released to the Supplier by the Buyer.

The Supplier undertakes to establish a system of document management and secure archiving to ensure the traceability and sustainability of the Supply, and to answer to the Buyer's Customer requirements. In that case, the Buyer shall disclose any requirement this system shall comply with. It is being specified the Supplier shall be responsible for the implementation and management of this system in compliance with the regulation in force.

Throughout the duration of the Supply performance, and upon prior notice, the Supplier undertakes to grant the Buyer and the representatives of any relevant Official Authorities free access, during business hours, to its premises and to any document for the monitoring purpose. The Supplier shall obtain the same right from any of its subcontractors.

4.6. The Supplier shall keep the Buyer, at least once a month, informed of the actual progress of the manufacturing of Products and/or of the carrying out of Services, and forecast of deliveries over a minimum period of six (6) months.

5 - DELIVERY

5.1 Any delivery of Supply shall be accompanied by the Declaration of conformity and by a delivery slip affixed to the outer packaging, with a copy of the said delivery slip inside the package, containing the following information:

- Identification number of the delivery slip;
- Order number and item number of the Order;
- Reference of the Supply;
- Description of the Supply as specified in the Order;
- Quantity delivered and, where applicable, the serial number and the individual number of products/parts;
- If necessary, the number of packages;
  Unit of purchase;
- Number of the possible dispensation(s);
- If necessary, a customs document and a transport document in compliance with applicable regulations, as well as any other documents required for customs clearance operations within the framework of imports.

5.2 The delivery of the Documentation and the documents required by applicable regulations and standards is an integral part of the Supply.

5.4 Unless otherwise provided in the Order, the delivery of the Supply shall be DAP “address of the Buyer” (Incoterms 2010 - International Chamber of Commerce). Notwithstanding the foregoing, when the Supply is subject to an acceptance procedure, the transfer of the risks of the Supply takes place on the signature date of the Acceptance Report by the Supplier and the Buyer.

5.5 Packaging shall be carried out in compliance with the contractual documents, regulations and standards in force. It shall include, if necessary, instructions and provide sufficient protection to ensure that the Supply undergoes no deterioration during transport and/or storage.

Any damaged Supply upon delivery shall be returned to the Supplier and the transport, repair, assembly, and trial costs, if any, shall be borne by the Supplier.

5.6 The Supplier shall take all necessary measures to prevent stock shortages. To this effect, the Supplier shall make available safety stocks or propose any other mean for the Buyer to consider. The Buyer reserves the right to carry out periodic audits in order to verify the existence and efficiency of these measures.

6 - DEADLINES

6.1 Time is of the essence in Supplier’s performance of an Order, and Supplier shall deliver Supply and perform Services by the Delivery Date. The deadlines agreed between the Parties are mandatory and respecting these deadlines constitutes an essential condition without which the Buyer would not have contracted.

6.2 The Supplier shall promptly inform in writing the Buyer of any foreseeable delay in respect to the contractual deadlines, and of any measures taken to remedy such delay. Except for force majeure events, the Supplier shall bear any additional expenses resulting from this delay.

6.3 In the event of Supplier’s failure to meet contractual deadlines, the Buyer reserves the right:

- to apply, late penalties equivalent to 0.5% of the pre-tax price of the relevant Order per calendar day of delay, up to 15% of the pre-tax amount of the Order, and/or

- to terminate the Order under the terms and conditions referred to in Article 27 "Termination" below, without any liability to the Supplier.

These penalties do not discharge the Supplier from its obligations and cannot be considered as a final, lump-sum compensation for the damage incurred by the Buyer. The Buyer shall notify the Supplier of amount of late penalties by written document. The Supplier agrees that the Buyer may deduct, after a period of fifteen (15) calendar days following the notification, the late payment penalties from the amount due to the Supplier in relation to the late Order, if within this delay the Supplier has not disputed in writing the facts of the grievance or has not already paid to the Buyer the amount claimed.

6.4 In the event of early delivery or excessive quantity, the Buyer reserves the right either to accept the Supply, or to return the Supply at the Supplier's own cost and risk.

7 - ACCEPTANCE, INSPECTION AND REJECTION OF SUPPLY

7.1 The contractual documents may provide an acceptance procedure for the Supply. The Buyer reserves the right to refuse the Supply when the related Documentation is incomplete or is non-compliant with the contractual documents provisions.

7.2 Supplier shall only tender Goods to Buyer that have passed inspection in accordance with the applicable inspection system and that otherwise conform to all requirements of an Order.

7.3. Acceptance is pronounced after the lifting of any possible reservations and the satisfactory verification of the Supply operation and after the submission of a Declaration of conformity by the Supplier. It gives rise to the signature of final Acceptance report, date on which the warranty period starts.

7.4 No acceptance can be considered as tacitly pronounced. Unless otherwise agreed between the Parties, the acceptance or the verification of the conformity of the Supply shall be made within thirty (30) days of delivery. The issuing of an Acceptance report shall in no event be interpreted as a waiver of any warranty or other commitments made by the Supplier

7.5 The Final Customer may participate, carry out or validate the acceptance procedure. In this case, the acceptance pronounced by the Buyer only becomes final following acceptance by the Final Customer.

7.6 In case of non-conforming Supply, the Buyer shall provide notice to the Supplier describing such nonconformity. Supplier shall inspect the non-conformity and deliver a written report to Buyer detailing its investigation, conclusions, and proposed corrective action within 30 days of receiving notice. Should the Supplier neither inspect nor dispute the non-conforming Supply, the Buyer reserves the right, at its option:

- To accept the non-conforming Supply as is subject to a price discount. The Supplier shall bear all costs of the assessment and calculation of such discount;
- To accept it after corrective work at the Supplier's expense, carried out by the Buyer or by a third party appointed by the Buyer;
- To refuse it, and make it available to the Supplier for removal at the Supplier's expense and risk. Such removal shall occur within fifteen (15) calendar days of the date of notification of refusal by the Buyer;
- To refuse it and return it to the Supplier, at the latter's own expense and risk .r.

The non-conforming Supply refused by the Buyer shall be deemed undelivered and shall give rise to the application of the penalties provided in article 6 "Deadlines" above notwith-standing the Buyer's right to seek damages due to the non-compliance, and/or to cancel the Order.

. **7.7** Notwithstanding any other provision, in addition to the foregoing, Supplier shall be liable for

Buyer's actual costs, expenses and damages related to or arising from nonconforming Supply, including, without limitation, labor and other costs related to transportation of Supply, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, reinspection, retrofit, and any and all other such corrective action costs incurred by Buyer.

8 - TRANSFER OF OWNERSHIP

The transfer of ownership of the Supply to the Buyer takes place, notwithstanding any reservation of title clause contained in the Supplier's documents, at the signature of the Acceptance report. The transfer of ownership of the Results takes place when they are produced.

9 - BUYER EQUIPMENT

"Buyer Equipment" shall include Entrusted Property and Specialized Equipment, and shall be reserved exclusively for the performance of the Buyer's Orders.

9.1 - Entrusted Property remains the property of the Buyer, of the person who entrusted it to the Buyer or of the Final Customer. It shall be identified as such and stored in such a way as to avoid any confusion with the property of the Supplier or any other third party. Any modification or destruction of the Entrusted Property shall be subject to prior written agreement by the Buyer.

The Supplier will send the Buyer, by December 1st of each year, an inventory of the Entrusted Property. If the inventory is not provided to the Buyer as stated above, the Buyer may carry out the inventory itself at the expense of the Supplier.

9.2 - When the Buyer supplies the Specialized Equipment necessary for the performance of the Order it remains the property of the owner.

When the Buyer finances the Specialized Equipment it becomes the owner on acceptance. The acceptance of Specialized Equipment can only occur upon acceptance of the first Supply of Products manufactured with the Specialized Equipment in question. The associated plans and documents become the property of the Buyer under the conditions of article 8 "Transfer of Ownership" for the Results.

The Specialized Equipment is subject to regular inspections by the Supplier following a calibration procedure set forth in applicable regulation, whose program is made available to the Buyer that reserves the right to proceed with counter-inspections.

The Supplier shall monitor the Buyer Equipment and take all adequate measures for protection against theft or damage of any sort. In the event of any direct or indirect interference by anyone to the Buyer Equipment, the Supplier shall promptly inform the Buyer in writing, take all the necessary measures to defend the rights of the owner of the Buyer Equipment, and ensure that the interference ceases. Supplier expressly waives all rights to place any lien on Buyer Equipment.

The Supplier will return the Buyer Equipment subject to normal fair wear and tear, upon the Buyer's request. At the time that the Buyer Equipment is returned to the Buyer, the Buyer and the Supplier shall carry out a joint inventory.

10 - PRICE – INVOICING – PAYMENT TERMS

10.1 Unless otherwise agreed by the Parties in a signed document, the prices stated in the Order are firm and non-revisable, and include all taxes. These prices include all the costs and expenses incurred by the Supplier for the delivery and performance of the Supply, including the assignment of Results and related economic rights as well as expenses to travel to the Buyer's sites.

10.2 The Supplier will not invoice before the delivery of the Supply, and not before the performance of the Services. When an invoicing schedule is mentioned in the Order, the Supplier shall comply with it.

Invoices shall be drawn by the Supplier in accordance with applicable regulations and include, in addition to legal notices, the following elements:

- The Order number;
- The item number in the Order;
- The date and number of the delivery slip or the performance report; The Supplier's code, as provided by the Buyer;
- A detailed description of the Supply as described in the Order.

10.4 The deadline for payment of invoice shall be stated in the Order, and shall not be more than ninety (90) days from the date of the invoice. Should no deadline for payment be specified in the Order, the deadline for payment shall be ninety (90) days from the date of issuance of the invoice.

10.5 Buyer and its Affiliates may withhold, deduct and/or set off all money due, or which may become due to Supplier arising out of Supplier's performance under the Order or any other transaction with Buyer and its Affiliates.

11 - WARRANTY

11.1 The Supplier warrants that the Products shall be (merchantable and fit for the purpose intended; (ii) new; (iii) free from defects in design, in manufacturing or in operating defects as well as against any defects in materials and parts comprising an assembly. The Supplier warrants the proper performance of the Services in accordance with the contractual documents.

The Warranty shall cover, at the Buyer's option, (i) any refurbishment or replacement of the Product or Service correction or (ii) reimbursement of the Product or Service. The warranty covers parts, labor, transport and travel. It also includes the cost of disassembly (including the aircraft engine and/or the equipment subject to the supply), handling, customs duties and reassembly of the parts. This warranty clause is without prejudice to any damage sustained by the Buyer.

11.2 Unless otherwise specified in the Order, replacements or repairs of the Supply under the warranty provided in this article shall be performed within a maximum period of forty-five (45) days following the written notice of the defect or malfunction sent by the Buyer. When a Supply includes several subsets, the Supplier shall correct at its own expense any anomaly and damage that may be caused by such defect or malfunction in the other subsets of the said Supply.

11.3 Any Product replaced or repaired or any Service corrected shall be guaranteed, under the same conditions as above. In the event the Supplier does not perform its warranty duties, the Buyer reserves the right to perform or have a third party perform the necessary works at the Supplier's expense.

11.4 Notwithstanding any other provision, in addition to the foregoing, Supplier shall be liable for Buyer's actual costs, expenses and damages related to or arising from Goods not conforming to the Warranty, including, without limitation, labor and other costs related to transportation of Goods, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, re-inspection, retrofit, and any and all other such corrective action costs incurred by Buyer.

12 - INDEMNIFICATION

12.1 Supplier shall indemnify, defend, and hold harmless Buyer and Buyer's Affiliates and their respective employees, agents, officers and directors for and from all suits, claims, judgments, awards, losses, damages, costs or expenses (including, without limitation, attorneys' fees) relating to, arising out of, or caused by the performance hereunder, any act or omission of Supplier or any Supply or Service. Supplier's indemnification obligation hereunder covers, without limitation, injuries, sickness, diseases (including, without limitation, occupational disease whenever occurring), or death of Supplier employees.

13 - STOCK

13.1 The Supplier's stock necessary for the performance of the Order shall come from sources certified by the Buyer or by the Supplier following approval by the Buyer of the Supplier's

certification procedure. The Supplier shall make available to the Buyer all documents certifying the quantity, origin, quality, the controls and the backup measures it has made or which have been made by certified organizations upon its request in connection with such stock. Approval by the Buyer in no way exonerates the Supplier from abiding by its obligations under the contractual documents.

13.2 In the event that the Buyer entrusts the Supplier with the provision of service relating to raw material or forgings owned by the Buyer, the Supplier shall return, on the Buyer's first request, all scraps, turnings, rejects, excess of material derived from said services. These raw materials and forgings remain the Buyer's property.

14 - CONTINUITY

The Supplier shall inform the Buyer at least eighteen (18) months in advance of any production stoppage or withdrawal from its catalogue of the Supply.

Supplier shall maintain the ability to, and shall, provide product support for the Supplies, which shall include, without limitation, assuring that subcomponents and materials are available, maintaining tooling and other production capability and re-engineering components or systems to address obsolescence until the later of twenty-five (25) years after the last Order is placed by Buyer for Goods or less than five (5) end products incorporating Goods are in operation anywhere in the world.

If Supplier is a sole source of supply and/or providing products whose Lead Time exceeds one hundred twenty (120) days, or as otherwise directed by Buyer, Supplier shall develop and maintain a disaster recovery plan acceptable to Buyer for the recovery and continuation of business related to the design, development, certification, manufacture, sale, use and/or support of the Supplies, in the event of a disaster or emergency. The disaster recovery plan shall, among other things, prevent or limit the interruption of the providing Supplies in conformity with the requirements set forth herein. Supplier shall furnish a copy of disaster recovery plan to Buyer upon request.

15 - INTELLECTUAL PROPERTY

15.1 The Buyer shall own all Intellectual Property and tangible work product conceived, created, acquired, or first reduced to practice in connection with an Order, including but not limited to Results.

The Supplier undertakes not to use the Results for any purpose other than the performance of the Order. At the request of the Supplier, the Buyer may, at its option and under conditions to be defined, grant to the Supplier a non-exclusive and non-transferable right to use the Results.

15.2 The Supplier grants Buyer and its Affiliates a world-wide non-exclusive, perpetual, irrevocable and transferable right to use and/or operate, free of charge, with the right to sub-license, patents, software and processes or techniques developed independently of the Order which are necessary for the use or operation of the Supply.

15.3 Supplier represents and warrants that Supplier has sufficient rights in all Supplies, Services, and Intellectual Property and other items that Supplier uses or transfers to Buyer in connection with the Order to allow Supplier to lawfully comply with the Order and use the Supply. All Intellectual Property transferred to Buyer shall be considered Buyer's proprietary information. Supplier agrees that any works of authorship created by Supplier in the course of an Order shall be "Works Made for Hire" as set forth in 17 U.S.C. 101.

Supplier shall indemnify, defend, and hold harmless Buyer, its Affiliates, subsidiaries, agents, directors, officers, and employees, and each subsequent purchaser or user, from any losses, costs, damages, and liabilities, including, without limitation, any attorney's fees, court costs and fines, arising from any potential or actual claim, suit, injunction, action, proceeding, or investigation alleging infringement or violation of any Intellectual Property rights or license, related to the manufacture, use or sale of any Supply or Services delivered or performed in

connection with an Order ("Claim").

15.4 Furthermore, at the option of the Buyer, the Supplier shall, at its own cost, and without prejudice to the Buyer's right to seek compensation, either (i) obtain the right to continue using the Supply, or (ii) replace or modify it in order to put an end to the infringement of the third party rights referred to above, while ensuring the functions provided by the contractual documents or (iii) reimburse the Supply.

16 INSURANCE

. **16.1** The Supplier is liable for any damage or loss sustained by the Buyer or any third party as a result of non-performance or improper performance of its obligations. Without limiting any of Supplier's obligations hereunder, Supplier agrees to secure and carry as a minimum the following insurance with respect to all work to be performed under the Order for the duration of the Order: (i) Workers' Compensation Insurance, inclusive of an alternate employer endorsement, in an amount sufficient by virtue of the laws of the U.S., foreign country, state, or other governmental subdivision in which the work or any portion of the work is performed and Employer's Liability Insurance in the minimum amount of $1,000,000 for any one occurrence; (ii) Commercial General Liability Insurance including, without limitation, Premises Liability and contractual Liability, in which the limit of liability for property damage and bodily injuries, including, without limitation, accidental death, shall be at a minimum, a combined single limit of $5,000,000 for any one occurrence; (iii) if Supplier vehicles are used on Buyer's premises and/or used to accomplish work under the Order or otherwise on behalf of Buyer, Automobile Liability Insurance in which the limit of liability for property damage and bodily injuries, including, without limitation, accidental death, shall be a combined single limit of $1,000,000 for any one occurrence; (iv) if Supplier or its subcontractors have Buyer's materials or equipment in its care, custody or control, Supplier shall have and maintain All-Risk Property Insurance in an amount sufficient to meet or exceed the value of such material; and (v) if Supplier is performing professional services on behalf of Buyer, Supplier shall maintain Professional Liability Insurance with a limit of no less than $5,000,000.

. **16.2** All such insurance shall be issued by companies authorized to do business under the laws of each state or jurisdiction in which all or part of the Services are to be performed, and must have an AM Best financial rating of A- or better or an equivalent rating as produced by another rating agency acceptable to Buyer.

. **16.3** The insurance policies required under this Section shall be in form satisfactory to Buyer, and shall contain a provision prohibiting cancellation or material change except upon at least ten (10) days' (seven (7) days in the case of War Risks Insurance) prior notice to Buyer. All such insurance policies will be primary in the event of a loss arising out of the Supplier's performance of work and provide that where there is more than one insured the policy will operate, except for the limits of liability, as if there were a separate policy covering each insured and shall operate without right of contribution from any other insurance carrier by Buyer. Certificates evidencing such insurance and endorsements naming Buyer as an additional insured or, in the case of All Risk Property Insurance, naming Buyer as a loss payee, shall be filed with Buyer upon execution of the Order and before commencement of any work hereunder, and within thirty (30) days after any renewals or changes to such policies are issued. To the extent permitted by law, Supplier and its insurer(s) agree that subrogation rights against Buyer are hereby waived; such waiver shall be reflected on the insurance certificate. Supplier shall, if requested by Buyer, advise Buyer of the amount of available policy limits and the amounts of any self-insured retention.

. **16.4** Any certificate of insurance delivered in accordance with this Section shall identify the contract number or work to be performed and acknowledge that such coverage applies to liabilities incurred by Supplier, its employees, invitees or agents under the Order and that such insurance shall not be invalidated by any act or neglect of Supplier whether or not such act or neglect is a breach or violation of any warranty, declarations or conditions of the policies.

16.5 Supplier shall require its subcontractors to maintain insurance in the amounts and types required by this Section 21.

17 - COMPLIANCE OF THE SUPPLY WITH REGULATIONS AND STANDARDS

Through the performance of the Order, the Supplier guarantees to the Buyer the compliance of the Supply with the regulations and standards in force in the country where the Product or Service, subject of the Supply, is delivered or rendered to the Buyer and in any other country where the Supplier has been informed that the Supply will be used.

For this purpose, the Supplier shall hand over upon delivery or undertake to hand over at first demand by the Buyer, the certificates required by the applicable regulations and relating to the Supply.

In addition, the Supplier shall:

- implement all necessary measures for the implementation of its supply systems relating to the following minerals: **tantalum, tin, tungsten, gold,** so as to ensure that such minerals originate from conflict free sources, and
- provide, upon request, information regarding said supply systems on a platform determined by the Final Customer.

Irrespective of the place in which the Supply is produced or rendered (in the US or abroad), the Supplier also warrants that the Supply will comply with applicable legal provisions and regulations to quality requirements and standards, including health, hygiene, safety, traceability of products and protection of the environment.

The Supplier undertakes to release to the Buyer upon the delivery of the Supply all information it has to enable the safe use of the Supply.

The Supplier undertakes to inform the Buyer of any modification of applicable legal provisions and regulations and standards, which affect the conditions in which the Supply is delivered or performed.

The Supplier declares that its fulfills all necessary requirement to participate in procurement contracts, and agrees to abide by the legal constraints imposed by such contracts, including to secrecy obligations, and to any legal and paralegal tax obligation.

18 – CUSTOMS TRADE PARTNERSHIP AGAINST TERORISM (C-TPAT)

This Section applies to Orders in which Supply will be shipped into the United States.

18.1 Supplier agrees that, during the period in which it ships Supply to Buyer, it and its subcontractors who either ship directly or package Supply for shipment will either (i) be certified under the Customs Trade Partnership Against Terrorism ("C-TPAT") program by the U.S. Customs and Border Protection or (ii) demonstrate to Buyer's satisfaction that it meets the security requirements of C-TPAT. Accordingly, Supplier must either provide Buyer with documentation that it and its subcontractors are certified (e.g. C-TPAT certification or Status Verification Interface (SVI) number), or provide documentation and evidence satisfactory to Buyer to demonstrate compliance with C-TPAT security requirements, available at www.cbp.gov.

18.2 Upon five (5) days prior written notice, Buyer, or its designee, may audit all pertinent books and records of Supplier and its subcontractors, and make reasonable inspection of Supplier's and its subcontractors' premises, in order to verify compliance with the requirements of this Section. 1

18.3 Any delay in delivery due to Supplier's failure to comply with this Section 18 shall not relieve Supplier of its obligations and shall not give rise to an excusable delay.

19 - SUPPLY'S PERFORMANCE AT THE BUYER'S SITE

When the Supply is performed in whole or in part at one of the Buyer's sites, the Supplier the following provisions shall apply:

The Supplier will forward in advance a list with the names of the members of its personnel that may need an access to the Buyer's site; the Buyer reserves the right to refuse any person

access to its site. The Supplier will take the necessary measures to ensure that if any person has to be replaced, this will not jeopardize the performance and the quality of the Supplies.

The Supplier shall respect and ensure that its personnel and any subcontractor respect the rules to access to the site, security requirements, including in relation to information technology (IT), confidentiality rules, as well as the provisions of the internal rules of conduct which apply to all persons within one of the Buyer's premises as employees of an external company, including hygiene and safety rules and general working conditions.

When necessary, the Buyer will make available to the Supplier premises that will be allocated to enable it to intervene without disrupting the Buyer's organization. The Supplier will be able to place its equipment there, including in particular computer equipment (PCs, workstations, office furniture, etc.) necessary for the performance of the Supplies that are subject of the Order. The disposal of the premises will end once the Order has been performed, or if the Supplier's presence in the Buyer's premises is no longer justified. The Supplier will retain full and entire ownership and custody of equipment, software and software programs belonging to it that it has occasion to use and/or store at the Buyer's site.

When the Supplier is authorized to access the Buyer's information system, this authorization is strictly limited to perform the Order. The Supplier shall, in all events, respect the EDAC Technologies Information System Utilization and Security Charter and all other instructions provided.

Should the Supplier's personnel be present on the Buyer's site, the Supplier shall appoint a project manager having hierarchical and disciplinary authority over its personnel.

Each member of the Supplier's personnel present at the Buyer's site must, on request, state its name, the context of its mission, and the name and contact details of the Supplier's project manager.

Upon the completion of the Supply at the Buyer's site, the Supplier's personnel must:

- Return to the Buyer's security manager the badges and other means of access that have been given to the latter,
- Where applicable, return to the department concerned the words, codes and keys used to access the hardware and software allocated to the latter,
- And more generally, return all information, documents and other items which have been supplied to the latter for the performance of the Order.

20 – PROPRIETARY INFORMATION

"Proprietary Information" means all information, knowledge or data (including, without limitation, financial, business, and product strategy information; product specifications; product designs; procedures; studies; tests; and reports) in written, electronic, tangible, oral, visual or other form, (i) disclosed by, or obtained from, Buyer or (ii) conceived, created, acquired, or first reduced to practice in connection with the Order. If Buyer furnishes sample products, equipment, or other objects or material to Supplier, the items so received shall be used and the information obtained from said items shall be treated as if they were Proprietary Information disclosed in connection with the Order.

20.1 The Supplier shall keep confidential all information received from the Buyer in connection with the Order, as well as all information the Supplier might have access as a result of its presence at the Buyer's premises or another EDAC Technologies Division, without the Buyer having to specify or mark such information as confidential ("Confidential Information"). The Results shall be regarded and treated as Proprietary Information belonging to the Buyer.

20.2 Proprietary Information shall remain the property of the Buyer. The disclosure of Proprietary Information by the Buyer shall in no event be interpreted as granting or conferring upon the Supplier, expressly or implicitly, any right whatsoever (under a license or by any other means) with

respect to this Proprietary Information.

20.3 The Supplier agrees to:

- Use Proprietary Information exclusively for the purposes of the Order; disclose Proprietary Information only to those of its employees for whom it may be strictly necessary for the purposes contemplated in the Order and then only a "need to know" basis;
- Not disclose Proprietary Information or make it available, either in full or in part, to any third party without the prior written consent of the Buyer;
- Ensure that the confidentiality obligations incumbent upon it "are complied with by its employees and other persons with to access confidential Information.

20.4 The confidentiality obligations shall not apply to any information which:

- Is already in, or it had entered the public domain prior to its disclosure or after it, otherwise than through the fault of the Supplier;
- Is already known or available to the Supplier at the date of receipt of Proprietary Information as evidenced by written records of Supplier
- Is lawfully obtained by the Supplier from third parties, with full rights of disclosure, as evidenced by written records of the Supplier.

20.5 Should the Supplier be required to disclose Proprietary Information of the Buyer, pursuant to a mandatory or a judicial or administrative decision, the Supplier shall immediately inform the Buyer of such request. In addition, the Supplier shall ask the persons and entities to which the Proprietary Information is disclosed to treat it as confidential.

20.6 In the event of termination of the Order for whatever reason, the Supplier will return Proprietary Information immediately to the Buyer and/or to destroy any medium containing in whole or in part of Confidential Information. The Supplier shall provide a statement certifying the aforementioned complete return or destruction. This return or destruction of Proprietary Information shall not release the Supplier from its confidentiality obligations under this article.

20.8 The Supplier undertakes not to publish any article or advertisement relating to the Order and/or to the Supply and/or any other information in connection with its business with EDAC Technologies without the prior written consent of the Buyer.

20.9 Unless otherwise provided for in the Order, the confidentiality obligations provided in this article shall remain in full force and effect throughout the Order's performance and for a period of thirty (30) years from the end of the warranty period of the Supply, it being specified, however, that with regards to Results that are the subject of intellectual and/or industrial property rights, the obligation to maintain confidentiality will remain in force throughout the entire duration of performance of the Order and throughout the entire legal duration of protection relating to intellectual and/or industrial property right.

21 – <u>OFFSET</u>

21.1. Buyer may use all or any part of the value of the Order, including, without limitation, the value of any subcontracts placed by Supplier for the Order, for satisfying international offset obligations of Buyer, Buyer's Affiliates, or any entity that Buyer transfers such value to. Supplier may use the offset credit generated by the Order or the subcontracting of the Order only upon Buyer's written approval.

. **21.2**. Supplier shall support Buyer in meeting Buyer's offset requirements in proportion to the value of the Goods supplied by Supplier to the value of the end item sold by Buyer into the particular country.

21.3. Upon Buyer's request Supplier shall (i) report all subcontract sources outside the United States utilized in the fulfillment of the Order, including, without limitation, the name and location of each such source, amounts paid and committed thereto and identification of the Goods or Services procured, and (ii) require its subcontractors, including, without limitation, those at all

lower tiers, to maintain records of the above information.

22 - FORCE MAJEURE

Each Party shall inform the other Party immediately, with confirmation by written notice, no later than five (5) calendar days after the occurrence of force majeure preventing it from performing its obligations under the contractual documents.

The obligations whose performance is rendered impossible by the occurrence of an event of force majeure shall be suspended for the duration of this event.

The Party invoking force majeure undertakes to take every measure possible to limit the prejudicial consequences of this event for the other Party.

For the application of this clause, only an event meeting simultaneously all the conditions described hereinafter shall be considered an event of force majeure:

a) This event must be unavoidable, unforeseeable and totally independent of the will of the Parties.
b) Subsequent to this event, the Party invoking the event of force majeure was unable to perform its obligations in accordance with the contractual documents.

The Supplier shall not be able to invoke delays on the part of its own suppliers or subcontractors unless the cause for these delays may be considered an event of force majeure under this clause.

23 - TRANSFER – ASSIGNMENT – SUBCONTRACTING

23.1 The Supplier undertakes not to transfer or assign all or part of the Order or the related rights and obligations to any third party without the prior written consent of the Buyer, including in the event of merger or split-up. However, the Supplier may assign to third party debts held by the Buyer.

The Buyer reserves the right to transfer or assign to any EDAC Technologies Division, all or part of the Order or the related rights and obligations, subject to prior written notice thereof sent to the Supplier.

23.2 The Supplier may not subcontract all of the Order. Moreover, the Supplier may not subcontract part of the Order to a third party in any way without the prior written agreement of the Buyer. When the Supplier is authorized to subcontract, it will pass on the obligations contained in the contractual documents to its subcontractors.. Notwithstanding the approval of the Buyer to the Supplier's subcontracting of the performance of the Order, or to the choice of the subcontractor and its payment terms, the Supplier shall remain solely liable to the Buyer for the performance of the Supply subcontracted. No default of its subcontractors shall exclude or limit the Supplier's liability.

24 - EXPORT CONTROL

. **24.1** Supplier shall comply with the most current export control and sanctions laws, regulations, and orders applicable at the time of the export, re-export, transfer, disclosure or provision of Supply, software, technology or Services including, without limitation, the (i) Export Administration Regulations ("EAR") administered by the Bureau of Industry and Security, U.S. Department of Commerce, 15 C.F.R. parts 730-774; (ii) International Traffic in Arms Regulations ("ITAR") administered by the Directorate of Defense Trade Controls, U.S. Department of State, 22 C.F.R. parts 120-130; (iii) Foreign Assets Control Regulations and associated Executive Orders administered by the Office of Foreign Assets Control, U.S. Department of the Treasury, 31 C.F.R. parts 500-598; and (iv) laws and regulations of other countries (collectively, "Export Control

Laws").

24.2 Unless the Order is for Supply to be supplied on a "build to print" basis by Supplier, Supplier shall provide Buyer with (i) the applicable Harmonized Tariff Schedule Number, (ii) the Export Control Classification Number ("ECCN") of such Goods, software or technology that are controlled by the EAR, to include the ECCN of parts and components if such classification differs from the ECCN of the Goods or software and (iii) any analogous classification under any other applicable law.

24.3 Supplier shall not export, re-export, transfer, disclose or otherwise provide Buyer's technical data controlled by Export Control Laws ("Technical Data") to any foreign persons or foreign commercial entities, or modify or divert such Technical Data to any military application, unless Supplier receives advance, written authorization from Buyer. Any subcontracts between foreign persons in the approved country for manufacture of Goods or provision of Services shall contain all the limitations of this Section 26 and shall comply with all applicable export licenses or authorizations. Upon Buyer's request, Supplier shall demonstrate to Buyer, to Buyer's reasonable satisfaction, Supplier's subcontractors' compliance with this Section 26 and all Export Control laws.

24.5 Should the export license be withdrawn, not renewed or invalidated for reasons attributable to the Supplier, the Buyer reserves the right to automatically terminate the Order, without prejudice to its right to claim compensation for the damage sustained by this breach.

24.6 Should it fail to meet its export control obligations, the Supplier will be bound to compensate for any damage caused to the Buyer and its customers in connection with the performance of the Order or the use or operation of all or part of the Supply. Furthermore, the Supplier will indemnify the Buyer and/or its customers in the event of any action or legal proceedings taken by competent authorities relating to export control as well as all consequences, including fees, expenses and damages that may be incurred by them.

25. STANDARDS OF BUSINESS CONDUCT

25.1 Supplier shall adopt and comply with a policy statement or code of conduct regarding business ethics ("Code"). The Code will be suitable for Supplier's business and as a minimum will require compliance with all applicable laws and regulations. The Code shall assure a safe and healthy work environment, prohibit the use of child or forced labor, provide for the protection of the environment and minimization of waste, emissions, energy consumption and the use of materials of concern and prohibit engagement in corrupt practices (e.g. facilitating, offering or paying any bribe). This Section 26.1 creates no additional duties for Buyer with respect to Supplier and confers no rights on third parties.

25.2 At Buyer's request, Supplier shall develop, adopt and comply with a technology control plan ("TCP") satisfactory to Buyer and which sets forth undertakings of Supplier and its subcontractors for assuring compliance with provisions of these Terms and Conditions relating to technology. Supplier's compliance with the TCP may be reviewed from time to time by Buyer at Buyer's request.

26. COMPLIANCE WITH LAWS

26.1 Supplier shall comply with all applicable national, state, provincial, and local laws, ordinances, rules, and regulations applicable to the performance of the Order, except to the extent inconsistent with U.S. antiboycott laws, including, without limitation, (i) the manufacture or provisioning of Supply and/or Services, (ii) the shipping of Supply and (iii) the configuration or content of Supply for the use intended by Buyer.

. **26.2** Supplier shall, at the earliest practicable time, notify in writing Buyer if Supplier is (i) suspended, debarred, or proposed for suspension or debarment from doing business with the U.S. Government, or (ii) listed or is proposed to be listed by the U.S. Government in any "denial orders," as a "blocked person," as a "specially designated national," or as a "specially designated terrorist" for U.S. export administration purposes (collectively, "Debarment"). Any such Debarment shall act as a cause for Buyer to terminate the Order under the Section 28.

26.3 Supplier recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("DRC countries"). Accordingly, Supplier commits to comply with Section 1502 of Dodd-Frank and its implementing regulations. In particular, Supplier commits to have in place a supply chain policy and processes to undertake (i) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides Buyer; (ii) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (iii) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Supplier shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time.

26.4 U.S. FAR / DFARS Clause Flow-Downs for U.S, Government Contracts *- Supplier is responsible for complying with the associated Prime Contract requirements (where the Prime Contract Customer is called out on the Order). The U.S. Government Provisions and Clauses for each Prime Contract Customer can be found in Appendix 2.*

27 - <u>TERMINATION</u>

27.1 The Buyer shall be entitled to terminate the Order for cause:

- When the Supplier fails to perform any of its material contractual obligations and does not cure such breach within thirty (30) days from receipt of formal notice thereof sent by registered letter with acknowledgement of receipt;
- When the Supplier becomes the subject of judicial protection, receivership or liquidation, subject to public policy provisions;
- When there is a force majeure event the duration of which exceeds three months from the date on which one of the Parties informs the other Party thereof.
- When Buyer's or its Affiliates' competitors acquires a stake in the Supplier's capital
- In the event of a major change in the industrial organization of the Supplier that could jeopardize the proper performance of the Order such as transfer of production.

27.2 In addition, the Buyer may terminate the Order for convenience upon written notice to Supplier. In the event Buyer terminates in accordance with this Section after performance has commenced, Buyer shall compensate Supplier only for the actual and reasonable work-in-process costs incurred by Supplier on Goods required to be delivered within the Lead Time period, calculated from the Buyer's issuance of the notice of termination. If the Order does not specify Lead Time, Lead Time shall be the reasonable average lead time for the Goods in accordance with Buyer data. Supplier shall use reasonable efforts to mitigate its own and Buyer's liability under this Section 15. In order to receive compensation, Supplier's termination claim must be submitted within ninety (90) days from the effective date of the termination.

27.3 In the event of termination of the Order by the Buyer for reasons attributable to the Supplier, the Buyer reserves the right to perform or have a third party perform all or part of the Order at the expense of the Supplier. In this respect, the Supplier will at the request of the Buyer, to provide to the latter or to any third party designated by the Buyer all the elements necessary to perform the Supply.

27.4 Upon the expiration of the Order, or following its termination for any reason whatsoever, the Supplier shall return, within eight days and at its cost, to the Buyer the Buyer Equipment and any Documentation which has not yet been provided.

27.5 In all the cases of termination referred to hereinabove, each Party shall still be required to comply with all its contractual obligations until the effective date of termination, without prejudice to any damage that the non-defaulting Party may be able to claim as compensation for the damage incurred as a result of the non-performance by the defaulting Party of the obligations set forth in the contractual documents.

28 - ETHICS

The Supplier solemnly declares that:

- It has not infringed any anti-corruption laws or regulations,
- It has not been subject to any civil or criminal sanctions, in the US or abroad, for violation of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against it,
- To the best of its knowledge, no executive or manager of its company has been subject to any civil or criminal sanctions, in the US or abroad, for violation of anti-corruption laws or regulations and that no investigation or proceedings which could lead to such sanctions have been brought against such persons.

The Supplier warrants that:

- It complies and shall comply with the legal provisions against corruption in accordance with the OECD Convention of 1997 and the United Nations Convention Against Corruption of 2003 (UNCAC), and
- It has not granted and shall not grant, directly or indirectly, any gift, present, payment, remuneration or benefit whatsoever (trip, etc.) to anyone with a view to or in exchange for the conclusion of the Order.

The Supplier shall notify the Buyer's Purchasing Department of any gift, present, payment, remuneration or benefit whatsoever that it might grant either directly or indirectly to any employee, officer or representative of the Buyer or of any EDAC Technologies or to anyone that might influence their decision within the framework of the performance of the Order.

In the event of failure to comply with this clause, the Buyer shall automatically have the right to terminate the Orders in progress with immediate effect and without compensation, and without prejudice to any other remedies the Buyer may request from the Supplier.

29 - MISCELLANEOUS

Neither Party's failure to exercise or delay in exercising any of its rights with respect to the contractual documents shall be construed or be deemed a waiver of these rights.

Should any provision of the contractual documents be held to be invalid, the remainder shall continue to be valid and enforceable. The Parties shall then seek to replace this provision with a valid provision in order to maintain the contractual balance.

The Supplier acts in its own name and on its own behalf as an independent contractor. The Supplier has neither the power nor the authorization to enter into any commitment whatsoever in the name and for the account of the Buyer. No provision of the contractual documents may be construed as creating an agent/principal, parent/subsidiary or employer/employee relationship between the Supplier and the Buyer.

30 - APPLICABLE LAW – JURISDICTION

30.1 The Order shall be interpreted in accordance with the plain English meaning of its terms

and the construction shall be governed by the laws of the State of Connecticut, U.S.A. without regard to conflicts of law principles. Buyer may, but is not obligated to, bring any action or claim relating to the Order in the appropriate forum, in Connecticut, and Supplier irrevocably consents to personal jurisdiction and venue in any such court, appointing the pertinent Secretary of State or other applicable government authority as agent for receiving service of process.

30.2 Any action or claim by Supplier shall also be brought in the appropriate court in the jurisdiction described above, if Buyer so elects. Accordingly, Supplier shall give written notice to Buyer of any such intended action or claim, including, without limitation, the intended venue, and shall not commence such action or claim outside of such jurisdiction if Buyer, within thirty (30) days from receipt thereof, makes its election as aforesaid. If Buyer and Supplier mutually agree to participate in alternative dispute resolution, Supplier agrees that all alternative dispute resolution proceedings shall take place in Connecticut. Pursuant to Article 6 of the United Nations Convention on Contracts for the International Sale of Goods, the Parties exclude the application of the provisions of said Convention to all transactions relating to the Order.

NAME OF THE SUPPLIER:

NAME AND TITLE OF THE SIGNATORY:

DATE:

SIGNATURE:

SUPPLIER STAMP:

APPENDIX 1

The purpose of this Appendix is to set forth the conditions under which the Buyer and the Supplier will carry out electronic data interchange (EDI) by means of networks, within the framework of the performance of the Orders.

A) Definitions

Electronic data interchange (EDI): electronic transfer via a network, from one computer to another, of data in the form of an EDI message.

EDI Message: series of structured segments presented in a form that can be unequivocally read by a computer.

Acknowledgement of receipt: message issued by the recipient of an EDI message acknowledging receipt of the message and its legibility.

B) Nature of the information exchanged

The information which may be exchanged by EDI is defined in the Orders.

Any other information must be exchanged only through paper medium unless otherwise agreed in writing between the Parties to include it within the field of this Appendix.

C) Validity and taking into account the EDI content

The exchange of information via EDI is carried out at the time and place that the EDI message is placed at the disposal of the recipient's information system in a complete and legible way.

On receipt of information transmitted by EDI by the recipient's computer, the latter issues an acknowledgement of receipt to the issuer. The recipient is then deemed to have correctly received the information given unless the recipient informs the other Party of a problem in reading or interpreting the data transmitted. Notification of this may be sent by any means.

On no account is the recipient authorized to modify the message received. Any modification must be made by the issuing Party with specific reference to the modification made. Only messages issued by an authorized issuer with the agreed electronic signature are taken into account by the recipient.

D) Registration and conservation of EDI Messages

The Parties must keep all the EDI messages exchanged, taking all the necessary security measures at their disposal to guarantee their inalterability. In this respect, the Parties undertake to respect a certain number of control procedures such as the conservation of the information sent by EDI in its original form and in chronological order of sending.

The Parties must ensure that the information exchanged by EDI is kept by electronic or computer journals listing all exchanges sent and received and that it is easily accessible. In addition, the Parties must ensure that this information can be reproduced in legible form by man and be printed if necessary in order to constitute, as far as possible, a true and lasting copy of the original

E) Admissibility and probative value of the EDI Messages

Each Party agrees that the EDI messages exchanged on the basis of this Appendix and in conformity with the provisions hereunder have a probative value equivalent to that of a document through paper medium.

As such, the Parties waive the right to contest the authenticity of the information exchanged or oppose the information on the sole basis that the information was exchanged by EDI.

The Parties undertake to accept that, in the event of a dispute, the recordings made of information exchanged by EDI that have been stored may be produced before the arbitration Courts as proof of the facts that they contain, unless otherwise proved.

F) Security of EDI Messages

The Parties undertake to set up and maintain security measures and procedures to ensure the protection of the EDI messages against risks of unauthorized access, modification, delays, destruction or loss.

The security procedures and measure include verification of the origin and verification of the integrity. All information exchanged by EDI must identify the sender and the recipient. As such, each of the Parties undertakes to submit to the other party a list of the persons authorized by it to send information by EDI, updating this list each time it is necessary and indicating the applicable electronic signatures.

If the security procedures and measure lead to the rejection of an EDI message or the detection of an error in the message, the recipient must inform the sender of this as soon as possible.

The recipient of an EDI message which has been refused or which contains an error cannot act on the message without authorization from the sender. When a refused or erroneous message is retransmitted by the sender, the message must clearly indicate that it is a corrected message.

In addition, the Parties undertake to set up and maintain the operational environment necessary for EDI operations. As such, the Parties must supply and ensure maintenance for the hardware, software and the services necessary to transmit, receive, translate and conserve EDI messages.

G) Confidentiality

The Parties must ensure that the information contained in the EDI messages remains confidential and is not disclosed or retransmitted to any other parties who are not authorized to receive it. They must also ensure that it is not used for any purpose other than the performance of the Orders.

APPENDIX - 2

U.S. Government Provisions and Clauses for Orders under U.S Government Contracts

The full text of the clauses referenced here below, for each Prime Contract Customer, can be accessed on the internet at http://farsite.hill.af.mil/vffar.htm and http://www.acq.osd.mil/dpap/dars/dfars/index.htm

A) General Electric (GE)
- a. http://www.geaviation.com/company/doing-business-with-aviation
  - i. Refer to section entitled: Terms & Conditions
  - ii. Utilize and comply with C64 Terms for Purchases by Aviation's US Sites

B) United Technologies Corporation (UTC)
- a. http://www.utc.com/Suppliers/Pages/Terms-and-Conditions.aspx
  - i. Refer to section entitled: **U.S. Government Provisions & Clauses For Orders Under U.S. Government Contracts**
  - ii. Utilize and comply with **LATEST** Version called out in U.S. Government Provisions & Clauses For Orders Under U.S. Government Contracts

C) Lockheed Martin
- a. http://www.lockheedmartin.com/us/suppliers/tandc.html
  - i. Refer to section entitled: **2016 CORPDOC Commercial Items under a U.S. Government Prime Contract**
  - ii. Utilize and comply with Section >> CORPDOC 2A - FEDERAL ACQUISITION REGULATION (FAR) AND DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) FLOWDOWN PROVISIONS FOR SUBCONTRACTS/PURCHASE ORDERS FOR COMMERCIAL ITEMS UNDER A UNITED STATES DEPARTMENT OF DEFENSE PRIME CONTRACT

D) Eaton
- a. http://www.eaton.com/Eaton/OurCompany/DoingBusiness/SellingtoUs/POTerms-U.S./POTerms-U.S.FARDFARSClause/PCT_240332

E) General Dynamics Land Systems
- a. http://www.gdls.com/suppliers/terms-and-conditions/purchase-orders.php
  - i. Refer to section entitled: P.O. Terms & Conditions
  - ii. Utilize and comply with Section >> P.O. Terms & Conditions, Government Contracts Covered by Federal Acquisition Regulation (84-005-0808)

F) Aerojet Rocketdyne
- a. http://www.rocket.com/supp/purchase-terms-and-conditions
  - i. Refer to Supplemental Government Terms and Conditions
  - ii. Utilize and comply with Term # SCM-AS302-2 Supplemental Terms and Conditions

G) CNS Pantex
- a. http://www.pantex.com/doing-business/pages/documents-and-forms.aspx
  - i. Utilize and comply with CNS Terms & Conditions - Fixed Price

H) Kaman
- a. http://www.kaman.com/aerosystems/solutions/integrated-structures-metallics/suppliers
  - i. Refer to Section entitled: Documents
- b. Utilize and comply with Purchase Order Terms & Conditions