



## Standard Terms and Conditions for International Sale

### 1. DEFINITIONS:

"UEC" shall mean Unison Engine Components Ltd., Unison Engine Components Poland Sp zoo, or Unison Engine Components - Bucharest S.A., as identified on the order acknowledgment.

"Buyer" shall mean the person(s) or company that purchases Product(s) from UEC pursuant to this Order.

"Intellectual Property Rights" shall mean all copyright, database rights, topography rights, design rights, trade marks, trade names, utility models, patents, domain names and any other intellectual property rights of a similar nature (whether or not registered) subsisting anywhere in the world in or associated with the Products.

"Operator" shall mean the Operator of the Product.

"Order" shall mean the agreement between UEC and the Buyer (individually "Party" and collectively "the Parties") for the sale and purchase of the Product, Service and/or Repair Service, including these Standard Terms and Conditions of Sale herein, Appendix A, entitled "Special Provisions for U.S. Government Contracts" which is incorporated herein by this reference and any contemporaneous writing, signed by both Parties, expressly incorporated into this agreement by written modification or amendment.

"Product" means all components, spare parts, goods, services, equipment or materials of any kind which are supplied, modified, repaired or overhauled by UEC under this Order.

"Repair Services" means those repair or overhaul services related to the support of Product purchased by Buyer that are specifically identified as a purchased item under this Order.

"Services" means those engineering, technical support services and maintenance services related to the design, production, and support of the Product purchased by Buyer that are specifically identified as a purchased item under this Order.

### 2. PRODUCTS AND SERVICES TO BE SUPPLIED:

(A) UEC shall sell and deliver to Buyer, and Buyer shall purchase and accept delivery of and pay for, subject to the terms and conditions hereinafter specified, Products, Repair Services or Services related to engine and industrial components manufactured and supplied by UEC as may be from time to time ordered by Buyer. For Services, Buyer and UEC shall ensure a Technical Assistance Agreement (TAA) and/or Export License covers such activities, if appropriate.

(B) In the event UEC has provided a proposal covering Products which Buyer desires to procure, Buyer shall issue a purchase order for Products proposed by UEC that Buyer decides to procure. Each definitive purchase order issued by Buyer shall (i) list the Products to be supplied thereunder, (ii) show the applicable prices and estimated delivery date(s) in accordance with UEC's proposal, (iii) state complete shipping and marking instructions, and (iv) be subject to written acknowledgment by UEC. All proposals of UEC are subject to change at any time prior to acceptance by UEC of an order and expire at the end of the validity period stipulated in such proposals. For repair, replacement, and/or overhaul efforts, see Article 22.

**3. ACCEPTANCE OF THIS ORDER:** Acceptance is strictly limited to the terms set forth in this Order. The acceptance of this Order includes the acceptance of the following terms and conditions. None of the terms provided herein may be added to, modified, superseded or otherwise altered except by a written instrument signed by an authorized representative of UEC and delivered by UEC to the Buyer. Nothing contained in or attached to any purchase order will operate to modify or add to these provisions unless it is the mutual intent of the Parties as stated in writing to so modify or add to these provisions in respect to any particular purchase order. The Order applies to spares, repairs and overhauls, as appropriate.

**4. PURCHASE PRICE:** Prices cited herein are based on current costs and are subject to reasonable adjustment on or after the date of acceptance of

any purchase order to meet a rise or fall in such costs, as computed on the date of delivery. Transportation costs, as well as costs resulting from any additional factory testing and/or inspection and packaging requirements of Buyer, shall be paid by Buyer. The prices shall be subject to Economic Price Adjustment (if applicable) as described in UEC's proposal or accepted order. A storage fee will be applied monthly up to the maximum allowed by law on all Products, including but not limited to repaired and overhauled units, if delivery is not taken with five (5) days of notification.

### 5. PAYMENT:

(A) Payment in full of the purchase price shall be made in UK pounds sterling currency within 30 days of the date of invoice.

(B) Punctual payment as stipulated herein is of the essence for the Order. When any sum owed by Buyer to UEC under the Order is overdue, UEC may, without notice to Buyer, either:

(i) cease the supply of further Product, Services and /or Repair Services under this Order without liability for any loss (including loss of profit or other financial or economic loss) to Buyer until such sum, together with such interest as may be due thereon, is paid; or

(ii) terminate the Order and any other agreements between UEC and Buyer, whether or not any sums are due for payment by Buyer thereunder, without liability on the part of UEC. Buyer shall pay UEC immediately all sums due and outstanding under all such agreements with respect to Product, Services, Repair Services, components, parts, and other materials supplied or ordered in partial execution of the agreements, together with all overhead and other costs incurred by UEC as a result of such termination. In any event, the costs incurred by UEC as a result of Buyer's non-fulfillment of its obligations shall be payable by Buyer upon submission of UEC's invoices therefor.

UEC shall be entitled to an extension of time for performance of its obligations equalling the period of Buyer's non-fulfillment of its obligations whether or not UEC elects to suspend performance. If UEC elects to continue performance, this shall not constitute a waiver of any rights UEC may have under this Order or under the law.

(C) No defect in the Order Product, Service and/or Repair Service shall operate to interfere with the terms of payment. If payment is not made as provided above, Buyer shall thereby be deemed to have waived the warranties (merchantability, fitness or otherwise, whether express or implied) provided in Article 10 hereunder. UEC may demand different terms of payment from those specified on the face of the Order, whenever it reasonably appears that Buyer financial condition requires such changes, and may demand assurance of Buyer ability to pay whenever it reasonably appears that such ability is in doubt. Such demand shall be in writing and UEC may, upon making such demand, stop production and/or suspend shipments hereunder.

(D) If Buyer is in default of any payment obligation, UEC is, without reminder and prejudice to any other rights, entitled to charge interest on any outstanding sum, beginning with any due date of payment. In accordance with the Late Payment of Commercial Debts (Interest) Act 1998.

(E) If UEC is ready to make delivery of Product(s) but Buyer cannot accept delivery as scheduled due to any cause, any amounts otherwise payable to UEC upon delivery shall be payable upon delivery into storage against submission of UEC's Invoice.

### 6. INSPECTION AND ACCEPTANCE:

(A) All quality control exercised in the manufacture of the Products shall be in accordance with UEC's normal quality control policies, procedures, and practices. UEC shall deliver the Products with evidence of inspection by UEC's quality control representative.

(B) UEC's obligations for failures of the Products to conform to the Order's requirements discovered subsequent to final acceptance shall be limited to those stated in the warranty contained in the Order.



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(C) For Support Equipment and Services requiring in-country, on-site installation, upon completion of the installation of Product, UEC shall notify Buyer in writing and Buyer shall provide, within five (5) working days, an authorized representative to witness performance demonstration of such Product(s). The performance demonstration shall consist of a demonstration of the Product(s) in accordance with Manufacturer's approved instructions. Satisfactory completion of this demonstration shall constitute final acceptance by Buyer of the Products and Services provided by UEC. All Products provided pursuant to the Order shall be designed, manufactured, and inspected in accordance with UEC's standard commercial practices.

### 7. RISK AND TITLE:

(A) Risk of damage to the Products shall pass to the Buyer from the time of delivery in accordance with clause 8(B) of these terms and conditions.

(B) Ownership of the Products shall not pass to the Buyer until payment in full in cleared funds has been received by UEC in accordance with the terms of clause 5 of these terms and conditions.

(C) The Buyer may resell the Products before ownership has passed to it solely on the following conditions:

(i) Any sale shall be effected in the ordinary course of the Buyer's business at full market value; and

(ii) Any such sale shall be a sale of UEC's property on the Buyer's own behalf and the buyer shall deal as principal when making such a sale.

(D) The Buyer's right to possession of the Products shall terminate immediately if:

(i) the Buyer has a bankruptcy order made against it or makes an arrangement or composition with its creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver and/or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Buyer or notice of intention to appoint an administrator is given by the Buyer or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding up of the Buyer, or any proceedings are commenced relating to the insolvency or possible insolvency of the Buyer; or

(ii) the Buyer suffers or allows any execution, whether legal or equitable, to be levied on its property or obtained against it, or fails to observe or perform any of its obligations under the Order or any other contract between UEC and the Buyer; or

(iii) the Buyer encumbers or in any way charges any of the Products.

(E) UEC shall be entitled to recover payment for the Products notwithstanding that ownership of any of the Products have not passed from UEC.

(F) The Buyer grants UEC, its agents and employees an irrevocable licence at any time to enter any premises where the Products are or may be stored in order to inspect them, or, where the Buyer right to possession has terminated, to recover them.

(G) In the case of repairs or overhauls performed pursuant to this Order, Buyer agrees to grant UEC and interest in the entire Product retained in possession of UEC upon which any repair or overhaul services have been performed by UEC. Buyer further acknowledges and agrees that, in addition to any interest expressly granted by Buyer to UEC, UEC shall have a lien on the Product retained in possession of UEC to the extent otherwise provide by law until payment in full by the Buyer for the repair or overhaul performed by UEC has been received in full cleared funds. Buyer acknowledges that the lien (whether granted by the Buyer or through

operation of law) for repairs or overhaul shall be for the full value of such work, and shall be superior to any lien or interest in favour of Buyer, its parents, affiliates, or subsidiaries, or any other person who has knowledge of this Order. To the extent that UEC maintains possession of the Product under repair, Buyer agrees that UEC is a secured creditor of Buyer and has all the rights of a secured creditor.

### 8. DELIVERY:

(A) Delivery dates are based upon (i) prompt receipt by UEC of all information necessary to permit UEC to proceed with work immediately and without interruption, (ii) Buyer's compliance with the payment terms, (iii) such evidence as UEC may request that any required export or import license has been issued, and is in effect and (iv) continued availability of U.S. Government facilities and special tooling and special test equipment to UEC and its sub-contractors for use hereunder, as applicable.

(B) Unless otherwise agreed to in writing, UEC shall deliver the Order Product in accordance with the Incoterms set out in UEC's quote. Where no Incoterms is agreed or provided UEC shall delivery the Product ex-works (Incoterms 2000), at UEC's premises. UEC shall use reasonable efforts to make timely delivery but shall be excused from any delays arising out of causes beyond its reasonable control. Any specific delivery dates that may be stated are approximate. UEC shall, under no circumstances, be liable for damages, incidental or consequential (hereinafter contemplated as including, but not limited to, damages for lost profits, lost sales and injury to person or property), for delays, or failure to give notice of delay, whether or not caused by or resulting from UEC negligence. Buyer agrees not to make such claim on UEC. Any liability of UEC for non-delivery of Product shall be limited to replacing such Product within a reasonable time or issuing a credit note at the pro-rata rate against any invoice raised for such Product.

(C) If proper tender of the Products, Services and/or Repair Services is made and completion of delivery is prevented through no fault of UEC, UEC may specify a reasonable alternative place of delivery. Buyer agrees that all costs of storage and transport incurred following an initial attempt at delivery are hereby allocated to and imposed upon Buyer, and shall be added by UEC to the sale price. Delivery may at any time be withheld by UEC pending payment of any sum due from the Buyer to UEC under the Order or any other agreement. UEC will return Product via the incoming method unless an alternative method has been indicated on the purchase order or a change authorized by the Buyer representative.

(D) For support equipment items delivered to Buyer prior to final installation by UEC (as provided in the Order as applicable), storage of such items in conditions adequate to protect same from damage shall be the responsibility of Buyer once the items are so delivered.

(E) UEC may deliver Product by separate instalments. Each separate instalment shall be invoiced and paid for in accordance with the provisions of the Order. Each instalment shall be a separate Order and no cancellation or termination of any one Order shall entitle Buyer to repudiate or cancel any other Order or instalment.

**9. STORAGE FEES:** A storage fee will be applied monthly up to the maximum allowed by law on all repaired and overhauled units if delivery is not taken with five (5) days of notification.

### 10. WARRANTIES:

(A) UEC's warranty shall be as stated in UEC's quotation, proposal, catalogue or as set forth below in Article 24. Should UEC's quotation, proposal, or catalogue not include a warranty, then UEC hereby expressly states, and Buyer agrees, that no warranty, whether oral, expressed, implied or statutory (including, without limitation, any warranty of merchantability or fitness for particular purpose) applies to the Products, Services or Repair Services provided by UEC. New finished parts incorporated at repair or overhaul is covered by the component manufacturer's separate warranty, which is passed on to the Buyer or Operator.



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(B) UEC warrants that the Product, including all Product overhauled and certified as airworthy by UEC, shall: (1) conform to applicable drawings and specifications; and (2) be free from defects in workmanship, whether the work was performed by UEC or by its approved subcontractor.

(C) Where UEC is not the manufacturer of any Product (including but not limited to new finished parts incorporated at repair or overhaul), UEC shall endeavour to transfer to the Buyer the benefit of any warranty or guarantee given to the Company.

(D) Unless otherwise agreed to in writing, this Warranty shall commence upon acceptance of the Product by Buyer or operator, whichever occurs first, and continue for a period of 6 months after such acceptance. If the Buyer or operator, as the case may be, discovers within this period a failure of the Product to conform to drawings or specifications or a defect in workmanship, it must notify UEC in writing within forty-five (45) days of discovery. Notification of such discovery shall be made on UEC Warranty claim form, duly completed by the Buyer or operator, as the case may be, and shall describe the nature of the defect and the manner in which the defect became apparent in sufficient detail to indicate that the defect is covered by this Warranty. The notification shall also state the date of delivery to the Buyer or operator of the aircraft involved, proof of purchase from UEC, the date of removal of the Product in question, the number of intervening flying hours and flight cycles where applicable, and the number of aircraft involved.

(E) Any Product alleged to be defective and covered by this Warranty shall be identified, properly packaged, and returned prepaid to UEC or as otherwise directed by UEC. Within a reasonable time after proper notification, UEC shall correct any failure of the Product to conform to specifications or drawings or defects in workmanship, with either new or used replacement parts. If the Product is proved to UEC's satisfaction to be defective and covered by this Warranty, such repair or replacement shall be made by UEC without charge. UEC will also pay one-way packing and transportation charges but shall not be responsible for any labour costs incurred in removal and reinstallation. The original duration of this Warranty shall continue for those parts not replaced. For those parts repaired or replaced, the original Warranty shall be renewed to begin running from the date of the repair or replacement. These remedies are the exclusive remedies of Buyer or operator, as the case may be, for breach of this Warranty.

(F) This Warranty shall not extend to the following Product:

- (i) Normal wear and tear of Product;
- (ii) Product that has been subjected to any alteration, modification, or repair without prior authorization by UEC;
- (iii) Product subjected to experimental running or any type of operation or use other than that for which the Product is designed;
- (iv) Product from which UEC's and/or vendor's trademark or serial number has been altered, removed, or obliterated without UEC's written permission, excluding any alteration, removal, or obliteration directly caused by accident or mishap to the aircraft on which such Product are installed at the time of any such accident or mishap;
- (v) Product installed on an engine, aircraft or its systems, where the engine or aircraft is not operated or maintained in accordance with the engine or aircraft system manufacturer's or UEC's written instructions, and all standard practices issued by the applicable aviation authorities of any country in which the engine or aircraft is operated, and/or has been operated, subsequent to its involvement in an accident resulting in "substantial damage" as such term is now defined in the Safety Investigation Regulations of the United States of America's National Transportation Safety Board and/or similar term defined by European Aviation Safety Agency; or
- (vi) Product that has been in storage or immobilized for one year from the date of acceptance by the Buyer or operator, whichever occurs first.

For the purpose of this Warranty, Product shall not be regarded as defective merely because some modification or alteration is required to be made by an Airworthiness Authority after delivery of the Product.

**(G) UEC MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY MAKES NO WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE; AND THE EXPRESS WARRANTY SET FORTH IN THIS ARTICLE IS IN LIEU OF ANY SUCH WARRANTY AND ANY OTHER OBLIGATION OR LIABILITY ON THE PART OF UEC.**

**(H) FOR PURPOSES OF THE EXCLUSIVE REMEDIES AND LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 10, "UEC" SHALL BE DEEMED TO INCLUDE UEC, ITS SUBSIDIARIES, AND THEIR AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUBCONTRACTORS, AND SUPPLIERS OF ALL OF THEM. UEC SHALL HAVE NO LIABILITY ARISING OUT OF THE ORDER IN EXCESS OF THE AMOUNT OF THE ORDER. IN NO EVENT SHALL UEC BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR OTHER CONTRACTUAL OR TORT DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES RESULTING FROM COST OF SUBSTITUTE PROCUREMENT; LOSS OF USE; LOSS OF DATA; LOSS OF PROFITS, SAVINGS, AND/OR REVENUES; LOSS OF BUSINESS; OR FAILURE OR DELAY IN PERFORMANCE, EVEN IF UEC HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH DAMAGES. NOR SHALL UEC BE RESPONSIBLE FOR ANY CLAIM AGAINST CUSTOMER BY A THIRD PARTY.**

(I) This Warranty is non-transferable and is applicable only to the original Buyer or operator to whom the Product was supplied.

(J) This Warranty shall not be extended, altered or varied except by written instrument executed by UEC.

(K) This Warranty shall be null and void if the warranted Product is disassembled or tampered with in any way without the written permission of UEC.

(L) Any official action or legal proceeding for breach of this Warranty must be commenced within twelve (12) months after acceptance of the Product.

### 11. INDEMNITY AND LIMITATIONS OF LIABILITY:

(A) Buyer shall defend, indemnify, and hold harmless UEC and its affiliates and their respective officers, partners, directors, employees, agents, successors, and assigns from and against any and all losses, claims, damages, liabilities, expenses (including, without limitation, fees and disbursements of legal counsel and expenses of litigation) or other obligations (collectively "Losses") and threatened Losses to the extent they arise from or in connection with any of the following: (i) the death or bodily injury of any agent, employee, customer, business invitee, or business visitor or other person, and the damage, loss, or destruction of any real or tangible personal property, either of which is caused by the negligence or other tortious conduct of Buyer, its employees, agents, or subcontractors; (ii) any action taken by or on behalf of Buyer in the performance of the Order that causes UEC to be obligated to indemnify, defend, and/or hold harmless any third Party; and (iii) any claim, demand, charge, action, cause of action, or other proceeding resulting from an act or omission of Buyer, its employees, agents, or subcontractors acting in its or their capacity as an employer or potential employer with respect to the claimant.

(B) UEC shall not be liable for failure to deliver, for delay in delivery, or for any losses or damage to Buyer, or to the Product occasioned by delays, in the performance of UEC's obligations, due to: (i) any cause beyond UEC's reasonable control or the control of UEC's suppliers or subcontractors; (ii) an act of God, act or omission of Buyer, act of civil or military authority, fire, strike or other labour difficulty, riot or other civil disturbance, insolvency or other inability to perform by the manufacturer, delay in transportation; or (iii) any other commercial impracticability.

(C) The conditions to performance specifically stated in this provision and elsewhere in the Order shall be the only conditions precedent or subsequent to an absolute duty of performance on the part of Buyer and UEC. Any official action or legal proceeding by Buyer in connection with the Order, other than provided for elsewhere in the Order, must be commenced within one (1) year from delivery. In no event of breach or



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repudiation of the Order by UEC shall UEC be liable for indirect, special, third party, incidental, or consequential damages, including without limitation lost profits, data, or goodwill, and Buyer hereby agrees not to make any such claim on UEC. Buyer agrees to defend, indemnify and hold harmless UEC from and against any claim, loss, liability, expense or damage (including liens or legal fees) incurred by UEC with respect to any of Buyer's export or re-export activities contrary to Section 19 - Government Authorization, Export Shipment and Controls.

(D) The liability of UEC, including its subcontractors, suppliers or co-producers, to Buyer arising out of, connected with, or resulting from the design, manufacture, sale, delivery, repair, replacement, support, operation, use or handling of the Product (including Product installed as original equipment on aircraft or ships owned, leased or operated by Buyer or Buyer's Buyer), or the performance of Services hereunder, whether in contract, warranty, tort (including negligence of any degree) or otherwise, shall be as set forth in the applicable express warranty contained in this Order. The foregoing shall constitute the sole and exclusive remedy of Buyer and the sole and exclusive liability of UEC. Buyer hereby waives, releases, and renounces all other rights, claims, and remedies against UEC. In no event shall UEC be liable under any theory (whether in contract, tort, negligence or otherwise) for indirect, special, third party, incidental, or consequential damages, including without limitation lost profits, data, or goodwill, and Buyer hereby agrees not to make any such claim on UEC. **SUCH WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, STATUTORY, ORAL OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE).**

(E) In no event shall the liability of UEC, however founded, exceed the price allocable to the Product, Service or Repair Service (as applicable to the Order) that initially gives rise to the claim.

(F) If Buyer furnishes or transfers any Product to any third party ("Transferee") by contract or otherwise, Buyer shall obtain from any such Transferee a provision affording UEC the protection of this Article 11. If Buyer fails to obtain such an agreement from Transferee, Buyer shall indemnify UEC from all claims made by such Transferee.

**12. PACKAGES:** All cases will be charged on the Invoice for the Order Product at the time of shipment. Products shall be prepared and packed in accordance with UEC's standard commercial practice.

**13. CUSTOMER SPECIFIED SOURCES:** Where work of any kind is performed for UEC by a subcontractor specified or selected by Buyer, UEC is relieved from all liability under the Order associated with or related to the work performed by such subcontractor. UEC hereby expressly states and Buyer agrees that no warranty, whether oral, expressed, implied or statutory (including, without limitation, any warranty of merchantability or fitness for particular purpose) applies to the Products, Services or Repair Services provided by UEC associated with or related to the work performed by the subcontractor so specified or selected by Buyer. UEC shall have no liability, except for reasonable care, for parts of any description supplied by Buyer for incorporation in articles to be produced by UEC. UEC is further relieved for injuries of any sort to Buyer occasioned by UEC's failure to perform or by delays in UEC's performance where such failure or delay is caused directly or indirectly by, or arises out of, matters within the control of a subcontractor specified or selected by Buyer.

**14. TAXES:** Sales and use taxes, payable by Buyer, which are presently or may hereafter be imposed by any taxing authority, are not included in the sale price. Any direct or excise tax or import or customs exaction payable by UEC, which may hereafter be imposed by any taxing authority, wheresoever located, upon the manufacture, sale or delivery of Product covered by the Order, or any increase in rate of any such tax or import or customs exaction now in force, shall be added to the sales price. If such charge is not collected at the time of payment or sale price, Buyer will hold UEC harmless.

## 15. CHANGES AND TERMINATION:

(A) UEC shall have the right, in its sole discretion, to terminate the Order if Buyer: (i) is unable to pay its debts generally as and when they become due; (ii) is the subject of a legal process declaring it insolvent; (iii) ceases or threatens to cease carrying on its business; or (iv) commits a substantial breach of the Order which is incapable of remedy. For each completed item delivered, Buyer shall pay to UEC the contract price plus any adjustment thereto resulting from reduced quantities by reason of termination.

(B) Buyer may make a written request for amendment, modification or termination of the Order. If a request for amendment or modification is accepted by UEC, and any changes cause an increase or decrease in the cost of, or the time required for, the performance of any part of the work under the Order, an equitable adjustment shall be made in the price or delivery schedule, or both, and the Order shall be modified in writing accordingly. Wherever the cost of property made obsolete as a result of the change is included in the price adjustment, Buyer shall have the right to prescribe the manner of disposition of such property. If request for termination is accepted by UEC, equitable provision shall be made to UEC for a recovery of all costs incurred under the Order and for reasonable profit based on time and costs expended. The Order shall continue in effect until such time as payment is received in full. A written request as specified herein shall give UEC adequate reason to demand written assurance of Buyer's ability and intent to carry out the Order.

**16. MERGER AND SEVERABILITY:** The Order contains the total agreement of the Parties, and all agreements entered into prior to or contemporaneously with the execution of the Order are excluded whether oral or in writing, except that a contemporaneous writing, signed by both Parties, and firmly attached to the Order, shall be considered part hereof. If any provision of the Order shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not effect the remaining provisions of the Order, all of which shall remain in full force and effect. No waiver or modification of this Order shall be binding upon the Parties unless made in writing and signed by duly authorized representatives of both Parties.

## 17. DISPUTE RESOLUTION, GOVERNING LAW, AND FORUM:

(A) The Order shall be governed by, and construed in accordance with the laws of England and Wales.

(B) If any dispute arises in connection with the Order, directors or other senior representatives of the parties with authority to settle the dispute will, within 30 days of a written request from one party to the other, meet in a good faith effort to resolve the dispute.

(C) Subject to article 18 (B) if the dispute is not resolved at that meeting, the dispute or difference arising out of or in connection with this agreement, including any question regarding its existence, validity or termination or the legal relationships established pursuant to the Order, shall be finally resolved by arbitration under the UNCITRAL Rules in force at the date of this agreement. It is agreed that:

(i) the tribunal shall consist of one arbitrator (whose expertise is to be agreed upon between the parties);

(ii) in default of the parties' agreement as to the arbitrator(s), the appointing authority shall be the LCIA;

(iii) the seat of the arbitration shall be London; and

(iv) the language of the arbitration shall be English.

(D) Where there is non-payment by the Buyer of any undisputed invoices, then UEC reserves the rights to commence court proceedings to retrieve such payment plus interest and costs set out in article 18 (E) and otherwise as set out in these terms and conditions

(E) UEC shall have the right to collect from Buyer its reasonable expenses, including attorneys' fees, incurred in enforcing the Order.



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(F) The rights and obligations herein shall survive completion of the final payment under the Order.

### 18. CONFIDENTIALITY:

(A) Each party undertakes that it shall not at any time and for a period of 10 years after termination or expiry of the Order, disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party or of any member of the group of companies to which the other party belongs, except as permitted by article 19 (B).

(B) Each party may disclose the other party's confidential information:

(i) to its employees, officers, representatives or advisers who need to know such information for the purposes of carrying out the party's obligations under this agreement Each party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other party's confidential information comply with this clause 2; and

(ii) as may be required by law, court order or any governmental or regulatory authority.

(C) No party shall use any other party's confidential information for any purpose other than to perform its obligations under this agreement.

### 19. GOVERNMENT AUTHORIZATION, EXPORT SHIPMENT AND CONTROLS

(A) Both Parties acknowledge and agree to comply with applicable import and export laws and regulations of Buyer's country, UK and of the United States, including but not limited to the requirements of Arms Export Control Act, 22 U.S.C.2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 CFR 120 et seq.; the Export Administration Act, 50 U.S.C. App. 2401-2420, including the Export Administration Regulations, 15 C.F.R. 730-774; and the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Buyer agrees that it shall not transfer any export controlled item, data, information or services, to include transfer to foreign persons, including those foreign persons employed by or associated with, or under contract to the receiving Party, without the authority of an applicable export license, agreement, or applicable exemption or exception

(B) Buyer shall be responsible for obtaining and maintaining Import License, Exchange Permit or any other required government authorization. Buyer and UEC shall assist each other in every manner reasonably possible in securing and complying with such authorizations as may be required.

(C) UEC shall not be liable if any authorization is delayed, denied, revoked, restricted or not renewed and Buyer shall not thereby be relieved of its obligation to pay UEC.

(D) Seller agrees that the export shall be treated as a routed transaction pursuant to 15 CFR 758.3(b) and 15 CFR 30.3(e).

(i) Export License Determination. Buyer agrees that all provisions of the US EAR, including the end-use and end-user controls found in part 744 of the EAR, and the General Prohibitions found in part 736 of the EAR, apply to this routed export transaction. The Buyer (or Buyer's designated agent) shall be the exporter and must determine licensing authority (License, License Exception, or NLR), and obtain the appropriate license or other authorization. Buyer shall be responsible for obtaining any required licenses or any other required governmental authorization and shall be responsible for complying with all US and foreign government licensing requirements. Buyer shall restrict disclosure of all information and data furnished in connection with such authorization and shall ship the subject matter of the authorization to only those destinations that are authorized by the US Government.

(ii) Export Reporting. Pursuant to 15 CFR 30.3(e), Buyer hereby authorizes Seller (or Seller's designated agent) to file all required Electronic Export Information (EEI) reports via the U.S. Automated Export System (i.e. "AES records") prior to export from the US. Seller (or Seller's designated agent) shall retain documentation to support the EEI filed and provide documentation to Buyer upon request.

### 20. DUTY DRAWBACK:

In accordance with 15 CFR 191.28 and 15 CFR 191.33(b)(2), Buyer agrees to waive the right to claim drawback and assign such right to Seller.

(i) Buyer disclaims any rights or interest to and in drawback on all engines, engine kits and other products manufactured by Seller heretofore and thereafter exported and gives blanket endorsement of drawback rights to Seller, the importer or manufacturer of the exported articles

(ii) Buyer shall not authorize itself to claim drawback on these exportations, nor will Buyer authorize any other entity to do so.

(iii) Buyer agrees to provide Seller with proofs of export to support its drawback program as required by U.S. Customs. This disclaimer will remain in effect until cancelled in writing.

**21. NOTIFICATION:** Buyer agrees to notify UEC immediately if Buyer is listed in any Denied Persons List, Entity List, or Specially Designated Nationals List, or if Buyer's export privileges are otherwise denied, suspended or revoked in whole or in part by any UK or U.S. Government entity or agency.

### 22. INTELLECTUAL PROPERTY LICENSE AND OWNERSHIP:

(A) The Buyer acknowledges that:

(i) the Intellectual Property Rights in the Product are UEC's (or its licensor's) property;

(ii) nothing in this agreement shall be construed as conferring any licence or granting any rights in favour of the Buyer in relation to the Intellectual Property Rights. UEC asserts its full rights to control the use of its trade marks within the EU and the Buyer shall assist UEC as required in preventing parallel importers from diluting UEC's rights; and

(iii) any reputation in any trade marks affixed or applied to the Products shall accrue to the sole benefit of UEC or any other owner of the trade marks from time to time.

(B) The Buyer shall not repackage the Products and/or remove any copyright notices, confidential or proprietary legends or identification from the Products.

(C) The Buyer shall not use (other than pursuant to this agreement) or seek to register any trade mark or trade name (including any company name) which is identical to, confusingly similar to or incorporates any trade mark or trade name which UEC owns or claims rights in anywhere in the world.

(D) UEC agrees to defend, indemnify, and hold harmless Buyer and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, arising out of any action by a third party that is based upon a claim that the Products infringe or otherwise violate the intellectual property rights of any person or entity.

(E) UEC's liability hereunder is conditioned upon the Buyer promptly notifying UEC in writing and giving UEC authority, information and assistance (at UEC's expense) for the defence of any suit or proceeding. In case UEC's product is held in such suit or proceeding to constitute infringement and the use of said product is enjoined, UEC shall, at its own expense and at its option, either (i) procure for the Buyer the right to continue using such Product; (ii) replace same with satisfactory and non-infringing product; or (iii) modify same so it becomes satisfactory and non-infringing product. UEC shall not be responsible to the Buyer or any third party, for incidental or consequential damage, including but not limited to, costs, expenses, liabilities or loss of profits resulting from loss of use.

(F) The remedies described above do not apply to any product or part (i) not purchased by the Buyer from UEC; (ii) that was changed, modified, or not used for its intended purpose; or (iii) that was manufactured by UEC to the Buyer's unique specifications or directions. The obligations set forth in shall constitute the sole and exclusive liability of Seller for actual or alleged intellectual property infringement.



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### 23. REPAIR AND OVERHAUL

(A) Upon receipt from Buyer of Buyer's Products designated for repair, return and/or overhaul, UEC shall furnish hereunder, Repair Services, as hereinafter described, required to repair and/or modify that product.

(B) Buyer's Products processed in accordance with this Order will be repaired and/or overhauled and inspected in accordance with commercial practice or the applicable Technical Order (T.O.) and, as applicable, UEC's most current practices or Service Bulletins. All work will be in accordance with practices and procedures of UEC in effect during the time of work performance.

(C) Buyer shall provide shipping containers in suitable condition as may be required to return the Products to UEC for work under this Order. UEC in its sole discretion shall either utilize Buyer's containers or UEC-provided containers for the return of the Products to Buyer. In the event that UEC opts to utilize Buyer's containers, UEC shall, upon completion of work, reinstall Buyer's Products into Buyer's containers for reshipment. If Buyer's containers require repair or replacement to achieve a condition and configuration compatible with UEC's standards for packaging and preservation, UEC will furnish to Buyer a statement of work required and an estimated price for such work. Upon receipt from Buyer of a purchase order amendment, UEC will proceed with the work.

(D) (i) Buyer shall provide to UEC a purchase order describing the work to be performed on each Product. Such purchase order shall identify, by part number, the Product to be repaired and/or overhauled. (ii) UEC may issue Repair Price Catalogs periodically for certain Product repairs from which Buyer may issue Purchase Orders. Should Repair Price Catalogs not be available and upon request from Buyer, UEC shall submit quotes for repair and return order with rough-order- of-magnitude (ROM) prices if a repair is deemed feasible by the UEC. Each purchase order issued shall contain the ROM price for repair. Parts removed from Buyer's Products which cannot be reinstalled because of scrap or superseded condition will be scrapped locally at UEC's Facility. If Buyer desires return of scrap or superseded parts from the repair and/or overhaul process, Buyer must make note of this in the request for repair quotation. For the avoidance of doubt each purchase order submitted by the Buyer will reference these terms and conditions.

(E) UEC warrants to Buyer that at the time of delivery of overhauled or repaired Products, the Repair Services performed by UEC will have been performed in a workmanlike manner. UEC's sole liability and Buyer's remedy under this warranty are limited to UEC's correcting at UEC's facility such Repair Services shown to have been defective provided that written notice of the defect shall have been given by Buyer to UEC within thirty (30) days of the discovery of such defect and that the defect is discovered within six (6) months after initial date of delivery of such goods by UEC whichever shall first occur. **THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES AND GUARANTEES WHETHER WRITTEN, STATUTORY, ORAL, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE).**

### 24. ENGINEERING CHANGES:

(A) UEC may make engineering or specification or process changes (including but not limited to U.S. Government-approved ECP's, CID's, waivers, deviations, and acquisition streamlining initiatives) with respect to the Products or Services without prior Buyer approval, provided that the change does not adversely affect the interfaces of such Products with Buyer's associated equipment, the interchangeability of components within such Products, or any performance specifications of the Products. The delivery schedule and the price of the Products or Services shall be adjusted by mutual agreement if UEC's cost or performance, or both are affected by such change. UEC shall promptly advise Buyer of any such adjustment(s) in price or delivery schedule.

(B) Either of the Parties hereto may propose changes in the Products and any such proposed changes shall be incorporated provided the change is technically feasible and provided further that both Parties have agreed to the change in writing, including any resulting adjustment in price, delivery schedule or other pertinent provisions.

(C) All Products delivered under this Order shall conform to the part number specified in the Order or (at UEC's option) its equivalent or the superseding part number subsequently assigned by UEC. If such equivalent or superseding part number does not result in change in form, fit, function, or price, UEC is authorized to deliver such equivalent or superseded part number without Buyer's direction or Order modification. If the equivalent or superseding part number does result in change in form, fit, function, or price, UEC will suspend performance; notify Buyer of any changes in scope, and request Buyer direction. Such Buyer direction shall be provided in writing within thirty (30) days of UEC's notification. If written Buyer direction is not received within 30 days, the provisions of Article 24, shall apply.

### 25. EXCUSABLE DELAYS:

(A) UEC shall not be liable for delays in performing its obligations and the date on which UEC's obligations are to be fulfilled shall be extended for a period equal to the time lost by reason of any delay arising directly or indirectly from (i) act of God, unforeseeable circumstances, act (including delay or failure to act) of any government authority (dejure or defacto, including political subdivisions thereof), war (declared or undeclared), riot, revolution, priorities, fires, strikes or other labor disputes, sabotage or epidemics, or (ii) inability due to causes beyond UEC's reasonable control to timely obtain necessary and proper labor, materials, components, facilities, transportation, or instructions from Buyer, or (iii) any other cause beyond UEC's reasonable control. The foregoing extension shall apply even though such cause may occur after UEC's performance of its obligations has been delayed for other causes.

(B) If delays resulting from any foregoing causes extends for more than one hundred and eighty (180) days and the Parties have not agreed upon a revised basis for continuing the work at the end of the delay, including adjustment for price, then either Party, upon thirty (30) days written notice, may terminate the Order with respect to the unexecuted portions of work, whereupon Buyer shall pay UEC's charges in accordance with Article 5.

**26. SPECIFICATIONS:** The Specifications and standards explicitly cited in the statement of work, drawings, or elsewhere in the Order are first tier specification and standards, and are applicable only to the extent specified in the Order. Second tier and lower documents referenced in those first tier documents are for guidance only, and are not contractually binding.

**27. USE OF U.S. GOVERNMENT-OWNED PROPERTY:** In the event that permission for UEC to use U.S. Government-owned facilities, special tooling and/or special test equipment is denied, modified or withdrawn by the cognizant representatives of the U.S. Government, the price and delivery schedule set forth in the applicable catalog and/or the Order shall be appropriately adjusted, or alternatively, UEC, may either (i) withdraw the catalog or proposal, or (ii) terminate the Order without penalty or further obligation to perform. Buyer will reimburse UEC for all costs incurred by UEC in performance under any Order, plus a fair and reasonable profit.

**28. NUCLEAR USE:** If any Products sold hereunder are used in connection with the handling of nuclear weapons or material, UEC disclaims all liability for any nuclear or other damages, injury or contamination, and Buyer shall indemnify UEC against any such liability, whether as a result of breach of contract, warranty, tort (including negligence of any degree) or otherwise.

**29. WAIVER OF IMMUNITY:** To the extent that Buyer or any of its property becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise from any legal action (such as suits or proceedings, service of process, set-off or counterclaim, attachment prior to judgment, attachment in aid of execution, or execution prior to



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judgment), Buyer hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity in any and all jurisdictions, including, without limitation, under the Foreign Sovereign Immunities Act of 1976 of the United States of America.

**30. ASSIGNMENT:** Any assignment of this agreement or any rights or obligations hereunder by either Party without the prior written consent of the other Party shall be void, except that UEC may assign any or all of its rights or obligations under this Order to a subsidiary or affiliated company of UEC, without Buyer's written consent.

**31. RELATIONSHIP:** Nothing in this Order shall be construed to place the Parties in the relationship of partners or joint venturers, and the Parties shall have no power to obligate or bind the other in any manner whatsoever.

**32. HEADINGS:** Any headings or paragraph titles are for the convenience of reference only and shall not define, limit, or extend the scope or intent of this Order or any provision thereof.

End of Terms and Conditions