

## General Terms and Conditions of Sale

Unless otherwise agreed in writing by Dallas Airmotive, Inc., H+S Aviation Limited, Barrett Turbine Engine Company, International Governor Services, LLC, H+S Aviation Middle East LLC, Dallas Airmotive Asia-Pacific Pte. Limited, and Dallas Airmotive, Inc. doing business as International Turbine Service (each a “**Seller**”) the following terms and conditions shall apply to any transaction for the supply or performance by Seller of all parts, goods sold, labor and materials supplied or performed by Seller (hereafter “**Goods**” or “**Work**”):

1. **GENERAL.** These General Terms and Conditions of Sale (“**Terms**”) apply to all sales or proposals for sale submitted by Seller and shall be deemed incorporated into any order issued to Seller by a purchaser of Goods or Work (“**Buyer**”). Seller’s acceptance of any offer from Buyer or Buyer’s acceptance of any offer from Seller is deemed based only on these Terms. No amendment, modification or waiver (including pre-printed terms in any Buyer purchase order) of these Terms is valid, unless confirmed in writing by Seller. These Terms contain the entire agreement between Seller and Buyer in this transaction, and supersede all prior discussions, proposals, representations and agreements for the Goods or Work. If Buyer has not affirmatively accepted these Terms, then Buyer’s receipt of, acceptance of, or payment for the Goods or Work, or Buyer’s delivery of its equipment to Seller for repair or overhaul shall constitute Buyer’s acceptance of these Terms. All orders are subject to acceptance in writing by an authorized representative of Seller.

2. **PAYMENT.** When the Goods or Work are ready for shipment, Seller shall invoice Buyer for the price and all other charges payable by Buyer. Unless otherwise stated in the invoice, Customer shall pay in full for Goods or Work (including invoices designated as Cash on Delivery) on or prior to the date on which the Goods or Work are delivered to the common carrier for delivery to Buyer or they are otherwise made available to Buyer. All payments shall be made to Seller’s bank account and in currency designated in the applicable invoice. Payments by a third party on behalf of Buyer are permitted only with Seller’s prior consent. For each calendar month or fraction thereof that payment is late, Buyer shall pay a late payment charge on the overdue amount at the 3-month LIBOR rate plus 400 basis points, not to exceed the highest rate permitted by applicable law. Such interest shall accrue on a daily basis from the due date, whether inscribed on the relevant invoice or otherwise agreed, until actual payment of the overdue amount. Buyer shall not withhold payment of invoices, in whole or part, pending consideration for credit under any applicable warranty, or offset any payments due under any other transaction with Seller or any affiliate of Seller. Unless Buyer provides written notice within 28 days of the invoice date that Buyer disputes in good faith all or a portion of an invoice, the invoice shall be deemed accurate absent manifest error. Buyer shall pay Seller the undisputed part of an invoice in accordance with this Section 2.

3. **PRICES.** Seller’s catalogs, price lists, estimates and quotations are subject to change from time to time without notice, and constitute invitations to treat and not offers made by Seller unless expressed to be fixed estimates or fixed quotations remaining open for the period specified therein or three months, whichever is shorter. Estimates of charges provided by Seller

are not firm quotations. Unless otherwise provided in the invoice prices are exclusive of delivery, packaging, packing, shipping, carriage, and insurance. Any deposit required by Seller will be treated as security for completion of the transaction to which it relates and may be retained by Seller if Buyer fails to pay the price due in full for the Goods or Work.

4. **TAXES.** The amount of all federal, state or local taxes applicable to the sale, use or transportation of the parts, labor and materials, supplied or performed hereunder, and all duties, import fees, tariffs or other similar levies shall be added to the prices on each invoice and promptly paid by the Buyer within the applicable payment terms, except where the Buyer shall furnish appropriate certificates of exemption therefrom, which are acceptable to Seller in its sole opinion.

### 5. SHIPPING AND DELIVERY.

(a) All shipping dates given are estimates and not guaranteed. Delivery of Goods sold hereunder shall be Ex Works Seller’s facility (Incoterms 2010) that actually sold the Goods. Charges for freight and transit insurance shall be to the account of Buyer. All Work to be serviced shall be delivered by Buyer to Seller DAP Seller’s facility (Incoterms 2010) that actually performed the Work. All Work to be serviced shall be redelivered by Seller to Buyer Ex Works Seller’s facility (Incoterms 2010) that actually performed the Work. Buyer must return cores for exchange transactions with charges for freight and transit insurance to the account of Buyer.

(b) If Seller is required to deliver Goods or Work with a Seller-supplied shipping container, Buyer shall return the container to Seller within 15 calendar days of delivery of the container. The container shall be returned to Seller using DAP (Incoterms 2010) Seller’s facility that shipped the container to Buyer. If the container is not returned to Seller within the 15-day period, Buyer agrees to pay Seller \$100.00 for each day or partial day in excess of the 15 days. In the event the container is not returned to Seller after 45 days of delivery, Buyer agrees to pay Seller the then current replacement cost of the container. This is in addition to the previously assessed daily charge. Buyer shall be responsible for all repairs to damaged containers.

6. **TITLE/RISK OF LOSS.** (a) Title to and risk of loss for Goods sold shall pass to Buyer upon delivery by Seller to the freight carrier at Seller’s facility that shipped the Goods. (b) Title to Work to be serviced by Seller shall remain with Buyer at all times. Risk of loss for such Work shall pass to Seller upon delivery by Buyer to the Seller facility that will actually perform the Work and remain with Seller until delivered to the freight carrier at Seller’s facility for redelivery to Buyer. Title to any parts removed from the Work that are replaced by other parts (including repairable parts) will pass to Seller upon incorporation of the replacement part into the Work. (c) Goods or Work is deemed accepted by Buyer when Buyer accepts the Work from the carrier. (d) If Buyer’s Goods or Work cannot be redelivered when ready due to Buyer’s act or failure to act, including but not limited to, the failure to make payment, refusal to accept redelivery, or request that redelivery not be made when otherwise ready, risk of loss shall pass to Buyer upon the placement of the Goods or Work in storage (whether stored in Seller’s facility or any other location). In such event, all reasonable costs and expenses incurred for activities such as, but not limited to, preparation for storage, handling, reasonable

storage fees, inspection and preservation will be due and payable on receipt of Seller's invoice. Buyer will be liable for all insurance costs and will indemnify Seller for all direct and indirect costs associated with such storage.

**7. CANCELLATION OR CHANGES BY BUYER.** Once in process, orders from Buyer may not be changed except with Seller's written consent and upon agreement by the parties as to an appropriate adjustment in the purchase price and/or delivery schedule. Orders in process may be canceled only with Seller's written consent and upon payment of Seller's cancellation charges. Unless otherwise agreed by the parties, if Buyer partially or completely cancels an order, Buyer shall promptly pay Seller for all Work performed prior to cancellation, including profit, and for any other costs incurred by Seller as a result of such cancellation, less the cost of any items that, in Seller's judgment, can be restocked or returned to third party vendors, which shall be subject to a fee.

**8. WORK STOPPAGE.** If Buyer causes any postponement or stoppage of Work, Buyer will be liable to Seller for any costs associated with the Work Stoppage including but not limited to reasonable storage fees, handling, inspections and preservation costs. Buyer agrees that such postponement charges will be invoiced monthly and invoices are due and payable when received by Buyer. Buyer understands that the Work will not be resumed until such invoices are paid in full. Upon lifting of the Work Stoppage, Seller will assess the impact to the Work schedule and provide Buyer with a new redelivery date.

**9. WARRANTY.** (a) If no separate warranty is attached, Seller warrants that, at the time of delivery, all Work performed by Seller and its vendors will comply with applicable published specifications of the manufacturer in the original configuration of the aircraft engine or engine accessory worked on in effect at the time that work is performed (or with specifications approved by the manufacturer or developed by Seller in accordance with authority from the Federal Aviation Administration (FAA)), and with applicable published directives and regulations of the FAA in mandatory effect at the time that work is performed. Seller also warrants for a period of two years after completion of the Work that the Work conforms to standards of good workmanship which are customarily recognized in the industry at the time the work is performed.

(b) For the sale of Goods, Seller warrants that it has the right to sell the goods with clear title to Buyer pursuant to these Terms. Seller will, so far as it is able, pass on to Buyer the benefit of any applicable warranty provided by the manufacturer of the parts or goods and included with the parts or goods packaged by the manufacturer.

(c) SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**10. RENTAL ASSETS.** When approved by Seller, Buyer may receive a rental asset subject to the execution by Buyer of a separate bailment or lease agreement. Seller reserves the right to collect a down payment and progress payment(s) on the monthly operational hours. If Buyer fails to return the rental asset within 5 calendar days of notice by Seller, in addition to

any other rights or remedies that Seller may have and without notice to Buyer, Seller may enter upon the Buyer's premises or on any other premises on which the rental asset is located and, without any court order or other process of law, repossess and remove the rental asset at Buyer's cost and expense including, but not limited to, reasonable attorneys' fees incurred in the enforcement of the bailment or lease agreement or in the collection of any amounts due pursuant to these Terms. In addition to any mechanic's, artisan's or similar liens which may arise by operation of law for the benefit of Seller in connection with its performance of the Work, Buyer agrees to grant Seller a perfected security interest in all equipment upon which any repair or overhaul services have been performed to guaranty Buyer's payment obligations in respect of the rental assets, including all fees owed, any damages incurred, and all collection and/or repossession costs.

**11. CUSTOMER FURNISHED MATERIAL.** If provided for in the proposal by Seller, Buyer may supply agreed parts to Seller if the part is: (a) furnished with an approved Aviation Authority serviceability tag; and (b) ready for immediate use. If Buyer's delay in providing parts delays or is reasonably likely to delay Seller's performance, Seller may supply the parts at Buyer's expense. Seller disclaims all liability for Buyer furnished parts and Buyer indemnifies and holds harmless Seller from and against any and all Claims and Losses for the performance or use of such parts.

**12. RETURNS.** (a) Seller, at its sole discretion, may permit the return of Goods. No return will be accepted without Seller's prior written approval. If Goods are purchased as a part of a lot, Buyer may not return the lot or any portion of the lot. Goods sold under the terms "SALE FINAL" may not be returned.

(b) When requesting permission to return any Goods, Buyer must supply Seller with the part number, quantity, condition, original sales order number and reason for return. If the return is approved, Seller will provide Buyer with a Return Material Authorization form (RMA) which should be referenced on the returned materials packing slip, marked on the exterior of the return packaging, and a copy included within the shipment packaging. Issuance of an RMA number does not constitute acceptance of the returned material by Seller. All returns must include all documentation shipped with the Goods by Seller to Buyer and be accompanied by the RMA form. Returned Goods must be in the same condition as when they were shipped by Seller. Returned Goods must be packaged in such a manner as to prevent damage or material deterioration. If the reason for return is related to a physical defect of the Goods as per the representative FAA/EASA release tag, the returned Goods shall be accompanied by a brief description of said defect by a certified repair station or equivalent. At the discretion of Seller, credit for the return may be withheld until all documentation is received by Seller. If Seller accepts the returned Goods, Seller may elect to replace the returned Goods with like Goods or credit Buyer's account the invoice price less the restocking fee.

(c) The following restocking fees will apply, the amount of which depends on the time of return as measured from the original shipment date by Seller to Buyer:

Time Since Original Shipment	Restocking Fee
0 - 30 Days .....	0 %
31 - 45 Days .....	15 %
46 - 90 Days .....	45 %

Seller will not accept Goods for return after ninety-one calendar days from original shipment date.

**13. STORAGE; ABANDONMENT.** Any equipment left in Seller's possession (a) for more than 60 calendar days without Buyer's approval for Seller to commence repair services, or for which the repair costs have not been paid in full within 15 days from invoice date, or for more than 90 calendar days following a Work Stoppage, or for more than 60 calendar days following completion of Work, (b) shall thereafter be subject to storage fees equal to \$20.00 per day. Any equipment subject to storage fees for more than 90 calendar days shall be deemed abandoned absent some alternative agreement in writing signed by Seller. Upon expiration of the 90-day period, Seller reserves the right to elect to continue to store the equipment at Buyer's cost or to recover unpaid balances, storage costs, and/or repair costs by any means necessary, including sale of the equipment to a third party in accordance with applicable law. Any amount realized from any such sale in excess of the sums owed shall be credited toward future Goods or Work; provided that such credit must be used within 30 months of issuance or it shall automatically expire. Buyer shall indemnify and hold harmless Seller against any Claims or Losses arising from any sale of abandoned property.

**14. LIMITATION OF REMEDIES AND LIABILITIES.** (A) THE REMEDIES SPECIFIED IN THE WARRANTIES APPLICABLE TO THESE TERMS, SHALL CONSTITUTE THE SOLE REMEDIES OF THE BUYER AND THE SOLE LIABILITY OF SELLER WITH RESPECT TO SUCH GOODS OR WORK, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. (B) IN NO EVENT SHALL SELLER HAVE ANY LIABILITY TO BUYER, WHETHER AS A RESULT OF BREACH OF CONTRACT, TORT LIABILITY (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, AND WHETHER ARISING BEFORE, DURING, OR AFTER DELIVERY OF THE GOODS OR WORK, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE LOSS OR DAMAGE OF ANY NATURE WHATSOEVER. (C) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS CLAUSE 13, THE MAXIMUM LIABILITY OF SELLER UNDER THESE TERMS (WHETHER BY REASON OF BREACH OF CONTRACT, TORT, INDEMNIFICATION OR OTHERWISE, BUT EXCLUDING LIABILITY OF SELLER FOR BREACH OF WARRANTY OR FOR THIRD PARTY LIABILITY CAUSED BY THE SOLE NEGLIGENCE OF SELLER) SHALL NOT EXCEED AN AMOUNT EQUAL TO THE TOTAL PURCHASE PRICE PAID BY BUYER TO SELLER WITH RESPECT TO THE GOODS OR WORK GIVING RISE TO SUCH LIABILITY.

**15. INDEMNIFICATION.** Buyer shall indemnify, defend and hold harmless Seller and its affiliates, and its and their respective directors, officers, employees, contractors or agents, from and against all claims, demands, suits, actions or other proceedings brought by third parties ("**Claims**"), and from and against all

damages, payments made in settlement, and other liabilities payable to such third parties, and all costs, fees and expenses incurred (including without limitation reasonable attorneys' and experts' fees and expenses), as a result of such Claims (collectively, "**Losses**") that: (i) arise out of or are or were caused by Buyer's breach of its obligations under the Terms or other requirements of this transaction; or (ii) relate to damage to property or bodily injury or death of any person arising out of or caused by Buyer's negligence or willful misconduct, save and except for such Claims caused by the sole negligence of Seller.

**16. APPLICABLE LAW/LIEN RIGHTS.**

(a) For all Sellers other than H+S Aviation Limited and H+S Aviation Middle East LLC: (i) these Terms, and the transactions hereunder with such Sellers for Goods or Work, shall be governed by the laws of the State of Texas, U.S.A., (excluding its conflict of law provisions); (ii) the UN Convention on Contracts for the International Sale of Goods is disclaimed; and (iii) any dispute arising from or relating to any Goods or Work which is not resolved amicably shall be solely and exclusively brought in the state or federal court located in Tarrant County, Texas, U.S.A.

(b) For H+S Aviation Limited and H+S Aviation Middle East LLC: (i) these Terms, and the transactions hereunder with them for Goods or Work, shall be governed by the laws of England and Wales; ((ii) the UN Convention on Contracts for the International Sale of Goods is disclaimed; (iii) any dispute arising from or relating to any Goods or Work which is not resolved amicably shall be solely and exclusively brought in the courts in London, England; (iv) the General Product Safety Regulations 1994 shall not apply to any Goods supplied for repair or reconditioning before use; and (v) these Terms do not restrict any legal obligations arising under Section 12 of the Sale of Goods Act 1979 or the Consumer Protection Act 1987.

(c) In the event of a dispute, Seller may accept partial payment for amounts not in dispute, regardless of whether such partial payment is marked paid in full, without recourse, or similar language. Seller shall not lose any of its rights in respect of the amounts in dispute by accepting such partial payment and Buyer shall remain obligated to pay such disputed amount.

(d) Buyer agrees that the Work performed hereunder involves part of an aircraft or its engine and that Seller may place an appropriate lien on the Work performed on the part. The laws governing the validity, perfection, or creation of any lien or security interest hereunder and the exercise of rights or remedies with respect to such lien or security interest for a particular item shall be determined in accordance with the choice of law provisions specified in Clauses 15(a) and (b) above, unless otherwise mandatorily required, in which case the laws of the jurisdiction in which the Work was performed shall govern.

(e) Except for the indemnitees specified in Clause 14, nothing in these Terms confers any rights on any person that is not a party to the arrangement incorporating these Terms, including no rights under the Contracts (Rights of Third Parties) Act 1999.

**17. DEFAULT.** Upon failure of Buyer to pay any amounts due to Seller, or in the event of any breach or anticipated breach by Buyer of these Terms, or if Buyer shall (i) become insolvent, or (ii) make any assignment for the benefit of creditors, or (iii) if a bankruptcy, insolvency, reorganization, receivership or



reorganization proceeding shall be commenced by or against Buyer, Seller may, at its sole discretion, opt to take any or all of the following (without waiving any of Seller's rights to pursue any remedy under these Terms): (a) cancel or terminate the order; (b) claim return of any Goods in the possession of Buyer and enter Buyer's premises (or the premises of any associated company or agent where such Goods are located), without liability for trespass or any alleged damage, to retake possession of such Goods; and/or (c) declare immediately due and payable all outstanding invoices and other amounts owed by Buyer.

**18. FORCE MAJEURE.** Seller shall not be responsible for or deemed to be in default by reason of delays in or failure of performance of this transaction due to causes beyond its reasonable control, including but not limited to, war, acts of terrorists, sabotage, civil unrest, riots, fires, explosions, serious accidents, any act of government, governmental priorities, allocations, court orders, regulations or orders affecting materials or facilities, acts of God or the public enemy, failure of transportation, delays of common carriers, epidemics, labor troubles causing cessation, slowdown or interruption of work, or failure of manufacturers, suppliers and subcontractors to furnish parts, labor or materials within normal delivery times. Seller shall give timely notice to Buyer of any excusable delay event. In the event of an excused delay, the affected time for delivery shall be extended or postponed for such periods as is reasonably necessary to offset the effects of the excused delay.

**19. ASSIGNMENT.** Buyer may not assign any part of this transaction in whole or in part without the prior written consent of Seller. Any such assignment or transfer of Buyer's right, title and interest in this transaction, or Buyer's property or the Work performed shall not relieve Buyer of its obligations hereunder and may be deemed null and void by Seller.

**20. CONFIDENTIALITY.** At all times, Buyer shall keep confidential and not disclose, directly or indirectly, to any third party any Confidential Information provided by Seller without prior written consent of Seller. "**Confidential Information**" means any information properly marked or labeled with a protective legend such as "Proprietary" or "Confidential", whether in written, digital, oral or other form, including without limitation, Seller's banking details.

**21. INDEPENDENT CONTRACTORS.** Seller and Buyer are independent contractors, not partners or employees or agents of the other. Neither party shall have the authority to assume or create any liability or obligations, express or implied, on behalf of, or bind, the other party in any manner.

**22. IMPORT/EXPORT CONTROLS.** At all times, Buyer shall comply with all applicable laws and regulations of the U.S.A., United Kingdom, and European Union and its Member States then in effect relating to imports/exports (including permanent and temporary exports, as well as temporary imports), re-exports and other foreign transactions, including, but not limited to the International Traffic in Arms Regulations (ITAR), Arms Export Control Act, Export Administration Regulation (EAR), Export Administration Act of 1979, Export Control Act 2002, Export Control Order 2008, EU Council Regulation (EC) No 428/2009, and the embargo and economic sanctions regulations of the U.S. Department of Treasury, Office of Foreign Assets Control, U.S. Department of State, Her Majesty's Treasury (UK), European Union or U.N. Security Council. If Buyer will be shipping hardware or technical data to Seller. Buyer shall provide Seller with prior written notice of the shipment and await instruction and confirmation from Seller before conducting the shipment. The parties shall reasonably cooperate with each other in obtaining all required export and import licenses, approvals and/or notifications pursuant to applicable law.

**23. COMPLIANCE WITH LAW.** Each of Seller and Buyer represent and warrant to the other that it has complied with all laws and regulations applicable to their respective activities hereunder, including, without limitation, the Foreign Corrupt Practices Act of 1977, Bribery Act 2010, any other applicable laws or international conventions of similar effect, and any regulations implementing any such laws or conventions. Buyer further represents and warrants that it has not participated in, and will not participate in, any conduct in connection with these Terms that violates the BBA Aviation Code of Business Ethics.

**Rev. January 2018**