



General Terms and Conditions of Sale

Unless otherwise agreed in writing by Essential Turbines Inc., ETI US Acquisition LLC dba Essential Turbines US, or any of its affiliated companies (each entity is hereinafter "Seller") the following Terms and Conditions of Sale shall apply to any transaction for the supply or performance by Seller of all parts, goods sold, labor and materials supplied or services performed by Seller (hereafter "Goods"):

1. **GENERAL.** These Terms and Conditions of Sale, together with any documents, including the RMA / Core Exchange Policy and any special terms or terms and conditions of Seller's credit department, which Seller has attached hereto or incorporated by reference (collectively hereafter "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 Seller's Goods (hereafter "Customer"). (a) Seller's acceptance of any offer from Customer or Customer's acceptance of any offer from Seller shall be exclusively governed by these Terms. Seller hereby objects to and shall not be bound by any additional, different or conflicting terms, whether printed or otherwise, in Customer's request for proposal, Customer's purchase order, or in any other communication from Customer to Seller, which are deemed null and void. (b) The Terms contain the sole, entire, and exclusive agreement between Seller and Customer in this transaction and supersede all prior discussions, proposals, negotiations, representations, and agreements for the sale and purchase of the same Goods. (c) If Customer has not otherwise or affirmatively accepted the governing Terms, then Customer's receipt of, acceptance of, or payment for, the Goods, or a Customer's delivery of its products to Seller for repair or overhaul shall constitute Customer's acceptance of the Terms. **NO AMENDMENT, MODIFICATION, OR WAIVER OF SELLER'S TERMS IS VALID, UNLESS CONFIRMED IN WRITING BY AN AUTHORIZED REPRESENTATIVE OF SELLER.**

2. **ORDERS.** All orders placed with Seller must be in a signed writing or upon verbal order confirmed in a signed writing. Any such purchase order shall only be accepted and binding upon Seller upon written acceptance by Seller, or shipment or provision of the Goods, whichever occurs first ("Order").

3. **PAYMENT.** Customer shall pay in U.S. or Canadian funds, as may be designated by Seller for each Order, all invoices for Goods supplied or performed hereunder, including applicable taxes, duties, levies and freight, prior to shipment unless prior arrangements have been authorized in writing by Seller's credit department. In the event Customer shall fail to make any payment as of the due date, Customer shall pay interest on all past due amounts or invoices at the highest rate allowable under the laws of the state where Seller's business unit providing the Goods has its principal place of business and 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. Customer agrees to pay court costs, attorneys' fees and any other reasonable expenses of collection. Seller reserves the right to alter Customer's credit limit, if any, at any time, or to require payment for any order before delivery. Failure of Customer to make payments requested by Seller shall give the Seller the option to cancel or to delay delivery without otherwise affecting Seller's rights hereunder.

4. **PRICES.** Estimates of charges provided to Customer shall not be deemed to be firm quotations. Prices shall be as set forth in an accepted Order, or if otherwise indicated, in Seller's then current price list at the time Seller accepts an Order. Prices are exclusive of, and Customer is responsible for all freight and any local, county, state, federal or other applicable taxes and all duties, imports, tariffs or other similar levies.

5. **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, imports, tariffs or other similar levies shall be added to the prices on each invoice and promptly paid by the Customer within the applicable payment terms, except where the Customer shall furnish appropriate certificates of exemption therefrom, which are acceptable to Seller in its sole opinion.

6. **SHIPPING AND DELIVERY.** (a) Delivery of the Goods under any Order shall be Ex Works Seller's facility (Incoterms 2010) that provided the Goods. Charges for freight and transit insurance shall be to the account of Customer. (b) All shipping dates given are estimates and not guaranteed. (c) Customer must return cores for exchange transactions with charges for freight and transit insurance to the account of Customer. Seller reserves the right to allocate shipments of goods among its customers when Seller determines allocation is necessary.

7. **TITLE/RISK OF LOSS.** Title to and risk of loss for all shipments shall pass to Customer upon delivery by Seller to the freight carrier at Seller's facility that provided the Goods.

8. **ACCEPTANCE.** Goods are deemed accepted by Customer when Customer accepts the Goods from the carrier unless notice of defect is received within ten (10) days of receipt of shipment. In the event of Customer's rejection of defective Goods, Seller's sole and exclusive obligation to Customer shall be, at Seller's option, to exchange such Goods for new ones of the same type or to provide Customer with a refund or credit in the amount of the price of the defective Goods. Following acceptance, Customer waives all right to revocation.

9. **SECURITY INTEREST/LONG-TERM STORAGE FEES, ABANDONED PROPERTY.** Seller reserves a purchase money security interest in the Goods and in the proceeds thereof (collectively, the "Collateral") until payment is made in full. If Customer fails to pay any amount when due, Seller shall have the right to repossess and remove all or any part of the Collateral from Customer, but not from Customer's customers. Any repossession or removal shall be without prejudice to any other remedy of Seller hereunder, at law or in equity. Customer agrees, from time to time, to execute financing statements and other instruments reasonably requested by Seller to transfer, create, perfect, preserve, protect and enforce this security interest at Seller's request. Should the Customer's unit(s) and/or component(s), remain at Seller's facility beyond (60) days following receipt of Technical Estimate, or Notice of Completion of work, or Customer's decision not to proceed with a repair, the unit(s) will be considered to be in long-term storage. A storage fee of \$500 USD per month will apply from the 31st day onward until the item is collected or shipping arrangements are finalized by the Customer. Seller reserves the right to invoice accrued storage fees separately and may withhold release of the unit(s) until all outstanding storage fees, along with any other related invoices, are paid in full. In the event such Customer unit(s) and/or components have not been claimed by Customer after six (6) months after storage fees begin accruing, as set forth above, Customer shall be deemed to have abandoned such unit(s) and/or components and Seller may sell or otherwise dispose of such unit(s) and/or components. The Customer at such time waives any and all claim of ownership, rights to notice and/or damages of whatsoever nature concerning such unit(s) and/or components.

10. **CANCELLATION OR CHANGES.** Orders from Customer, in process, 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 from Customer in process may be canceled by Customer only with Seller's written consent and upon payment of Seller's cancellation charges. Unless otherwise agreed by the parties, if Customer partially or completely cancels an Order, Customer shall promptly pay Seller for all Goods provided 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. The actual fees, costs, and charges will depend on the amount of Goods that have been provided by Seller and its vendors on the Order. Seller may, with written notice, for whatever reason or no reason, with or without cause terminate this Order and/or any order.

11. **WARRANTY.** (a) For the sale of engine repair, inspection, or overhaul services, including accessories and components, the terms and conditions of Seller's applicable warranty for such engine services, attached hereto and/or incorporated by reference, if any, shall apply. (b) For the sale of parts or goods by Seller pursuant to the Terms herein, Seller warrants that it has the right to sell the goods with clear title to Customer subject and pursuant to these Terms and the applicable warranty, if any, is provided by the manufacturer of the parts or goods and shall be outlined in the warranty statement attached herein or included with the parts or goods packaged by the manufacturer. Minor deviations from specifications which do not affect performance of the Goods shall not be deemed to constitute defects in materials or workmanship or a failure to comply with the specifications referred to herein. **EXCEPT AS OTHERWISE SET FORTH IN THESE TERMS, ALL GOODS ARE PROVIDED "AS IS" AND SELLER MAKES NO REPRESENTATION OR WARRANTY (EXPRESS, IMPLIED OR STATUTORY) WITH RESPECT TO THE GOODS TO BE PROVIDED TO CUSTOMER UNDER THESE TERMS, AND EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF NON-INFRINGEMENT, TITLE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

12. **DISCLAIMER.** Seller shall not be liable for a breach of any warranty contained

herein in any of the following circumstances: (a) the

Goods or parts thereof have been modified, altered, installed, used or serviced other than in conformity with Seller's applicable specifications, manuals, bulletins or written instructions, or which shall have been subjected to improper installation, misuse or neglect; (b) the Goods have not been maintained and operated in accordance with Seller's instructions; (c) normal wear and tear, willful or accidental damage, harsh environment or experimental running; (d) the Goods or parts thereof have been furnished by Customer or acquired from others at Customer's request and/or to Customer's specifications, and any use or incorporation of components not manufactured by or authorized by Seller in the Goods; (v) the Goods are expendable in nature, such as, but not limited to, diodes, transistors, O-rings, tires, flexible hoses, seals, igniter plugs or fuses; (vi) Goods with a stated shelf life or "use by" date, if such shelf life has expired or "use by" date has passed; (vii) tooling purchased or made for the purpose of manufacturing the Goods; (viii) Customer fails to afford Seller a reasonable opportunity to inspect the Goods; (ix) the price for the Goods, or any other goods or services supplied by Seller or its affiliates, has not been received in full.

13. LIMITATION OF REMEDIES AND LIABILITIES. (A) THE REMEDIES SPECIFIED IN THE WARRANTIES APPLICABLE TO THESE TERMS, SHALL CONSTITUTE THE SOLE REMEDIES OF THE CUSTOMER AND THE SOLE LIABILITY OF SELLER WITH RESPECT TO SUCH GOODS, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. (B) IN NO EVENT SHALL SELLER HAVE ANY LIABILITY TO CUSTOMER, 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 AND/OR PERFORMANCE OF THE SERVICES FURNISHED, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PENAL LOSS OR DAMAGE OF ANY NATURE WHATSOEVER, INCLUDING WITHOUT LIMITATION, ANY LOSS OF USE, LOSS OF CONTRACTS, LOSS OF PROFIT, LOSS OF REVENUE, LOSS OF GOODWILL, LOSS OF ANTICIPATED SAVINGS, INCREASED COSTS OR LIABILITIES TO THIRD PARTIES, ARISING OUT OF OR RELATED TO THIS ORDER, REGARDLESS OF WHETHER THE SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. (D) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SECTION, 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 TOTAL PURCHASE PRICE THERETOFORE PAID BY CUSTOMER TO SELLER WITH RESPECT TO THE GOODS PROVIDED GIVING RISE TO SUCH LIABILITY. TO THE EXTENT PERMITTED BY LAW, NO ACTION RELATING TO THE GOODS MAY BE BROUGHT MORE THAN ONE YEAR AFTER SHIPMENT.

14. PROPRIETARY INFORMATION/INTELLECTUAL PROPERTY RIGHTS. All written information provided by Seller in connection with any Order and any other orders, including, but not limited to, any specifications, drawings, and any other types of tangible or intangible information, shall remain the property of Seller and shall not be disclosed to any third parties without written consent of Seller. No licenses are granted to any Seller intellectual property rights under this Order or any other orders. All rights not expressly granted in these Terms are reserved by Seller. In no event shall Customer reverse engineer the Goods, or any materials used to manufacture the Goods. All intellectual property rights developed by either party in relation to the Goods shall vest in Seller. All Seller's processes used to perform services or provide Goods, including but not limited to Seller's know-how, balancers, processes, work papers, work instructions, instruction manuals, and any document that is not identified as Customer's intellectual property are the exclusive property of Seller.

15. SPECIFICATIONS. Customer shall be solely responsible for ensuring any designs, specifications, drawings and/or information given to Seller, either directly or indirectly, are accurate, correct, and suitable for the Goods in question. Examination by the Seller will not limit Customer's responsibility. If Goods are made according to Customer supplied designs, specifications, drawings or instructions, Customer will indemnify, hold harmless and defend Seller and its affiliates and their directors, officers, members, shareholders, employees, and agents against any claim or liability whatsoever related to any errors, omissions or defects relating to such designs, specifications, drawings and/or information, or for any alleged infringement of patent, trademark, trade name or other intellectual property right.

16. TOOLING. Unless otherwise agreed, all tooling and fixturing will be owned by the Seller, even if their cost is charged to the Customer. Where tooling or fixturing is supplied by Customer, they will remain entirely at the risk of Customer while in the possession of Seller. Customer will be responsible for all costs of repair and replacement of all tooling and fixturing if used exclusively for supplying Goods to Customer. If any such items remain inactive for a period of 24 months, Seller reserves the right to dispose of such items at its discretion.

17. INDEMNIFICATION. Customer 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 liability payable to such third parties, and all costs and expenses incurred (including without limitation reasonable attorneys', accountants' and experts' fees and expenses), as a result of such Claims (collectively, "Losses"), to the extent such Claims arise out of or relate to: (i) Customer's breach of its obligations under the Terms or other requirements of this transaction; (ii) damages to any property or bodily injury to or death of any person arising out of or caused by Customer's negligence or willful misconduct, save and except for such Claims caused by the sole negligence of Seller; (iii) the improper installation or unauthorized modification of the Goods by Customer or any other third party under Customer's control; and (iv) defects in the design or specifications provided by Customer. Customer shall promptly notify Seller of any suit filed against it or its customers on account of any such indemnification obligation of Customer hereunder, and at Seller's option, Customer may assume the sole responsibility for the defense of such action at Customer's sole expense. Seller may be represented by their own counsel in any such suit at the expense of Customer, however, no settlement shall be entered into on behalf of Seller without Seller's prior consent in its sole discretion.

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, whether foreseeable or unforeseeable, including but not being 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 their normal delivery times (each a "Force Majeure Event"). Seller shall give timely notice to the Customer of any Force Majeure Event. In the event of such excusable delay, the affected time for delivery shall be extended or postponed for such periods as is reasonably necessary to offset the effects of the excusable delay. If a Force Majeure Event affects only a part of Seller's capacity to deliver the Goods, then Seller may allocate the Goods among its customers until its capacity is restored.

19. APPLICABLE LAW/LIEN RIGHTS. The Terms and all Goods provided by Seller shall be solely governed by and construed in accordance with the laws of the state of Delaware without regard to its conflict of laws provisions or rules. In the event Seller is a U.S. entity, Customer consents to the exclusive jurisdiction of the state and federal courts of the State of Arizona, USA for determining the rights and obligations of the parties in any claim or controversy arising hereunder. Customer agrees that the Goods may include work performed hereunder which involves part of an aircraft and that Seller may place an appropriate lien on the Goods or work performed on the aircraft part pursuant to the laws of the state where Seller's business unit that provided the Goods or performed the work has its principal place of business. The United Nations Convention on Contracts for the International Sale of Goods will not apply to these Terms. In addition, to the extent of any express conflict or inconsistency between Customer's Terms and Conditions of Purchase and Seller's documentation or terms, Seller's Terms and Conditions will control. If Seller is an affiliated company outside the US, these Terms shall in all aspects be construed according to and governed by the laws of the jurisdiction in which the affiliated company is located.

20. ASSIGNMENT. Customer may not assign any part of this transaction in whole or in part without the prior written approval of Seller. Any such assignment or transfer of Customer's right, title and interest in this transaction, or Customer's property or the Goods provided shall not relieve Customer of its obligations hereunder and may be deemed null and void by Seller.

21. CONFIDENTIALITY. At all times, the parties shall keep confidential and not disclose, directly or indirectly, outside Customer's organization, any such 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, or any other confidential or sensitive information of Seller.

22. INDEPENDENT CONTRACTORS. Seller and Customer 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 in any manner, the other party to a third party or to give any warranties or representations on behalf of the other.

23. IMPORT/EXPORT CONTROLS. At all times, Customer shall comply with all applicable laws and regulations of the United States of America and Canada 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) (22 C.F.R. Parts 120-130), the Arms Export Control Act (22 U.S.C. 2778), the Export Administration Regulation (EAR) (15 C.F.R. Parts 730-774), the Export Administration Act of 1979, as amended (50 U.S.C. 2401 et. Seq.), and the embargo and economic sanctions regulations of the United States Department of Treasury, Office of Foreign Assets Control. If Customer will be shipping hardware or technical data to Seller from



outside the United States, Customer 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 such U.S. or Canadian laws. Seller shall not be liable for delays or refusals by governmental authorities to grant licenses or approvals. Customer must deliver requested information, including requested end user information, for the Seller to determine if a license or authorization is required. Regardless of any disclosure by Customer to Seller of an ultimate destination of a Good, Customer shall not export directly or indirectly any Good(s) or information to any country for which an export license or other governmental approval is required at the time of export without first obtaining all necessary licenses and approvals. Customer agrees to hold Seller harmless from any liability arising from the failure of Customer to comply with such laws, regulations and orders, or the provisions of this Section. Customer must provide the Seller with export classification information for all designs, specifications, drawings and/or information given to Seller in relation to this Order and every order. Export classification information includes the applicable export control number, the country of origin and, if applicable, the Harmonized Tariff code. Buyer will promptly notify Seller of any change in classification information.

24. **NO THIRD PARTY BENEFICIARIES.** A person or entity who is not a party to this Order shall have no rights, whatsoever, under this Order to enforce the Order.

25. **NO WAIVER.** None of Seller's rights and remedies in respect of these Terms shall be diminished, waived or extinguished by the granting of any indulgence, forbearance or extension of time nor by any failure of or delay by Seller in ascertaining or exercising any such rights or remedies. No waiver of rights under these Terms by either party shall constitute a subsequent waiver of this or any other right under these Terms.

26. **SEVERABILITY.** In the event that any of the terms of these Terms become or are declared to be illegal by any court of competent jurisdiction, such terms shall be null and void and shall be deemed deleted from these Terms. All remaining provisions of these Terms shall remain in full force and effect.

27. **LANGUAGE.** It is the express wish of the parties that this Agreement and/or any related documents have been drawn up in English. French translation: *Il est de la volonté expresse des parties que le présent contrat et/ou tous les documents qui s'y rattachent soient rédigés en anglais.*