

SPARE PARTS & COMPONENT REPAIR PRICE CATALOGUE

GENERAL TERMS AND CONDITIONS

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NOTICE TO U.S. CUSTOMERS

The U.S. Environmental Protection Agency (EPA) has issued regulations (40CFR Part 82) concerning products containing or manufactured with ozone depleting substances. Specifically, the regulations require that these products bear a clearly legible and conspicuous warning statement. Some of these substances are chlorofluorocarbons (CFCs) and halons. The regulations require that ozone-depleting substances be phased out by 1996. Suppliers are required to label their products if they contain or were manufactured with these substances.

Bombardier Inc. is committed to phase out the use of these substances. Some of our parts may contain Halon or Freon, such as aircraft fire extinguishers or refrigeration equipment.

Until these items are phased out or exempted, a warning statement must be issued. Since many of our parts may be degreased with Methyl Chloroform, the EPA has allowed us to issue the following blanket warning statement in our Spare Parts Price Catalogue.

WARNING:

PRODUCTS MAY HAVE BEEN MANUFACTURED WITH THE USE OF HALON AND CHLOROFLUOROCARBONS (CFCs), SUBSTANCES KNOWN TO HARM PUBLIC HEALTH AND THE ENVIRONMENT BY DESTROYING OZONE IN THE UPPER ATMOSPHERE.

SPARE PARTS & COMPONENT REPAIR PRICE
CATALOGUE GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS

These General Terms and Conditions (these "Terms") shall apply to any Purchase of a Part or any Purchase of Repair services of Customer-owned Parts from Seller (as defined below). Bombardier submits all Quotations and accepts all Orders in accordance with and subject to these Terms. These Terms supersede, cancel, and/or shall prevail over any terms and conditions appearing on a Customer's Order or any other documentation accompanying Customer's Order for a Part. Any such terms and conditions on a Customer's Order or any other document shall be deemed null and void and of no force and effect.

Article 1 DEFINITIONS

1.1 Unless otherwise specifically defined herein, and/or unless the context shall otherwise provide, capitalized words used in these Terms shall have the meanings given them in this Article 1.

"AOG" means aircraft on ground.

"Bombardier" means Bombardier Inc., a Canadian corporation, and "Bombardier" shall also refer to and be understood to mean the affiliates and subsidiaries of Bombardier Inc. as applicable.

"Catalogue" means any on-line system allowing users access to Bombardier's published price for select Parts or any electronic or printed document issued by Bombardier containing Bombardier's published price information for select Parts.

"Catalogue List Price" or "CLP" means Bombardier's published price for select Parts or any electronic or printed document issued by Bombardier contained in the Catalogue.

"Claim(s)" means any actual or threatened civil, criminal, penal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding or any claim or demand resulting therefrom or any other claim or demand of whatever nature or kind.

"Core" means an unserviceable Part that Customer returns to Seller after receipt and installation of an Exchange Part.

"Customer" means the entity purchasing, renting, or otherwise acquiring a Part, material, or Repair service from Seller under an Order.

"Customer Service Representative" means the employee of Bombardier, or of an affiliate or subsidiary of Bombardier, who is designated to be the customer service representative, administrator or customer relations specialist for Customer inquiries.

"Day" means a calendar day.

"DOA" means Defective on Arrival, a Part that fails upon installation or during first flight.

"Exchange" means a transaction in which a Customer is exchanging its unserviceable Part for a serviceable Part provided, directly or indirectly, by Seller.

"Exchange Part" means the serviceable Part provided to Customer in Exchange.

"Losses" means all damages, fines, penalties, deficiencies, losses, liabilities, costs, fees and expenses (including interest, court costs and reasonable fees and expenses of lawyers, accountants and other experts and professionals).

"Material Return Authorization" or "MRA" means the paperwork and process for the Repair or return of a Part or material to Seller.

"Non-Catalogue Part" means a Part not found or otherwise identified in the Catalogue. Such Non-Catalogue Part shall be subject to the terms and conditions as shall be set forth in the respective Non-Catalogue Part Purchase or Repair document or, if there are no such other terms and conditions, then these Terms.

"Order(s)" means Customer's placement of a request for a Part, material, or Repair service to Seller by a phone call, through the internet, through a purchase order, etc.

"Part" means any material, data, item (rotatable, repairable, expendable, consumable, structural), part, line replaceable unit, component, assembly, special tools and items of equipment (including ground support equipment).

"Purchase" means any transaction (purchase, rental, lease, or Repair) of a Part by a Customer.

"Quotation(s)" means Seller's Parts offer to Customer in respect of a proposed order, including, but not limited to, price(s), information with respect to Part numbers, quantity, availability, lead time, delivery terms, etc.

“Rental” means a Part that Seller agrees to provide to Customer, and Customer agrees to accept, on a short-term basis, in exchange for a repetitive periodic fee throughout such short term.

“Repair” means Parts owned by the Customer that Seller agrees to repair, modify, recertify or overhaul upon Customer’s acceptance of applicable Repair charges.

“Seller” means the Bombardier entity, being either Bombardier Inc., or Learjet Inc., or Bombardier Aerospace Germany GmbH, or such other affiliate or subsidiary of Bombardier (each as the case may be), that accepts Customer’s Order and distributes the Part accepted in the Order.

“Smart Services” means Bombardier’s cost per flight hour programs as may be offered by Bombardier at a given time, for Bombardier business aircraft, including but not limited to Smart Parts Plus and Smart Parts Preferred.

“Vendor” means a non-Bombardier manufacturer or supplier of a Part or a third-party Repair service.

“Vendor Spare Part” means a Part for which Bombardier is not the holder of the design authority and that is procured by Seller from a Vendor.

“Warranty Period” means the period of time for which Seller shall provide a warranty for certain Parts and Repair services hereunder, as further described and set forth in Appendix 1 hereof.

Article 2 PRICE

- 2.1 All prices are expressed and payable in U.S. Dollars, for delivery to Customer Free Carrier (FCA) Seller’s designated facility (Incoterms® 2020) and include the cost of standard commercial packing for shipment via air freight generally in accordance with ATA Specification 300.
- 2.2 Orders for Parts accepted by Seller will be invoiced at the list price in force for such Parts at time of Seller’s acceptance of the Order.
- 2.3 Quotations for Non-Catalogue Parts (which are in stock at the time Seller issues the Quotation) or Repair estimates will remain valid for Orders received and accepted by Seller within 30 days from the date of such Quotation, unless Seller provides for an alternative period of time, shorter or longer, each as the case may be (the **“Quotation Period”**).
 - 2.3.1 Quotations or Repair estimates issued or renewed repeatedly or exceeding 25 lines may be subject to a per line fee of \$25, at Seller’s discretion. This fee is refundable upon the placement of an Order for quoted items during the Quotation Period.
- 2.4 If a Part requires a review by Seller’s engineers, or a vendor cost analysis (**“VCA”**) from the Vendor, Seller may bill the Customer for the actual recovery cost of such engineering or VCA fee.
- 2.5 Prices exclude any form of export fees, handling, shipping, special packaging, insurance, taxes, duties, import fees and/or levies. Customer shall be responsible for the payment of any such applicable charges.
- 2.6 Bombardier reserves the right to modify its Parts, services, catalogues, prices, and terms and conditions, without prior notice to Customer. By means of example and not as limitation, price adjustments may become necessary due to unusual market fluctuations beyond Bombardier’s reasonable control.
- 2.7 Quotations for out-of-stock Parts or Repairs are to be considered as estimated or budgetary prices. The final price may vary from the price provided in the Quotation.
 - 2.7.1 Customer agrees to pay any minimum buy fees, processing fees, “First Article” fees, or any other charges incurred by Bombardier on out-of-stock Parts.
- 2.8 A minimum Order charge of \$250 may be billed to Customer, at Seller’s sole discretion, for Part Orders. For Repair services, the minimum Order charge is \$750.
- 2.9 Seller reserves the right to apply an AOG service charge of \$500 per Part and to recover from Customer the cost of any Vendor expedite charges for certain Parts that Customer requests to arrive AOG, as such term is defined in Article 9 below.
- 2.10 Customer is solely responsible for any calibration and testing of ground support equipment and tooling purchased new from Seller that may be mandated by the aircraft operator, applicable airworthiness authorities, and the original equipment manufacturer.

Article 3 SUBSTITUTIONS AND MODIFICATIONS

3.1 Seller reserves the right, without Customer's consent, to make any necessary corrections or changes in the design, Part number, and nomenclature of Parts identified in an Order and to substitute Parts, provided, however, that the unit price and the interchangeability of the applicable Parts is not affected. Seller will promptly inform the Customer if the unit price is different or if the interchangeability is affected. If Customer wishes to proceed with the Order at the changed price and/or with the affected interchangeability, Customer shall send Seller an amended Order reflecting the new unit price and/or acknowledging the affected interchangeability.

If Customer wishes not to proceed with the Order at the changed price and/or with the affected interchangeability, or if Customer does not submit an amended Order, Seller will not process the Order.

Article 4 PACKING, DELIVERY AND METHOD OF SHIPMENT

- 4.1 Seller's delivery of Parts to Customer shall be Free Carrier (FCA) Incoterms® 2020 Seller's designated facility.
- 4.2 Customer shall provide a written notice to Seller of a short shipment or incorrect shipment of Parts. Such written notice must be sent to the Customer Service Representative as soon as reasonably practical following Customer's receipt of Parts or within 30 days of the date of delivery of such Parts, whichever is earlier.
- 4.3 Availability of Parts is subject to their prior sale or commitment to third parties prior to Seller's acceptance of the applicable Order.
- 4.4 Seller reserves the right to allocate Parts on an equitable basis amongst Customer and other Bombardier customers, as Seller, in its sole discretion, may determine. Seller is not liable for any delays in providing a Part.
- 4.5 Parts lead times may vary during the course of the year due to fluctuations in the market and manufacturing conditions. Seller is not liable for any delays in providing a Part.
- 4.6 Seller shall include in each shipment a packing list/release note itemized to show:
- 4.6.1 The contents of the shipment;
 - 4.6.2 The approved signature of Seller's applicable civil airworthiness authority's representative attesting to the airworthiness of the Parts; and
 - 4.6.3 The value of the shipment for customs purposes, if required.
- 4.7 Customer shall specify the required method of shipment and carrier on each Order. If no method has been provided, or if stated method is unsuited to the given Order (e.g. carrier will not accept hazardous materials or oversized packages), Seller will ship via Seller's selected method of shipment and selected carrier, under the terms of Article 4.1 all at Customer's risk, expense, and freight cost.
- 4.8 If Seller gives Customer written notice that Parts ordered by, or Repaired for, Customer are ready for shipment, and shipment is delayed more than 30 days due to (a) Customer's request for delay, or (b) circumstances beyond Seller's control, then Customer shall promptly reimburse Seller, upon demand, for all costs and expenses, including but not limited to reasonable amounts for storage, handling, insurance and taxes, incurred by Seller as a result of such delay.
- 4.9 Special shipping containers are Seller's property and must be returned at Customer's expense with the applicable Cores, in accordance with Article 12.1, or after the completion of a Repair. Seller reserves the right to charge Customer, and Customer agrees to subsequently pay for, such special shipping containers that are not returned to Seller within the time frame specified in Article 14.1 of these Terms.
- 4.10 Special packaging and other expenses necessary or customary to ship oxygen bottles and other items restricted by airlines are subject to additional fees which will be charged to Customer.

Article 5 TAXES

- 5.1 Customer is responsible for the payment of any applicable taxes including without limitation sales, use, value-added, withholding, goods and services tax, excise, imposts, any other taxes imposed or withheld by any taxing authority, and any other related charges and fees of any nature together with any fines, penalties or interest as a result of any Purchase, Rental, Exchange, sale, use, delivery, storage, transfer or otherwise of any Parts, or any other matter in connection with these Terms (collectively "Taxes").
- 5.2 If Seller has reason to believe that Taxes are applicable, Seller will separately state the amount of Taxes on its invoice to the Customer. However, no Taxes will be charged by Seller when Customer provides a valid exemption certificate to Seller.
- 5.3 If a Claim is made against Seller for Taxes, Seller shall promptly notify Customer of such Claim and Customer shall promptly

pay the Taxes after receipt of such notice or reimburse Seller for such Taxes.

- 5.4 In the event that any deduction or tax withholding is required in respect of any amount payable by Customer to Seller, Customer will pay an increased amount of money to ensure that, after the required deduction or tax withholding is applied, Seller still receives the amount as set out in the Order.

Article 6 PAYMENT TERMS

- 6.1 Payment terms shall be net 30 days of the invoice date for established open accounts. However, Seller, at its discretion, reserves the right to request that Customer provide payment for the Order and/or for transportation costs in advance of Parts shipment. Seller may charge administrative fees of 21% yearly based on a monthly rate of 1.75% on all overdue amounts until actual payment in full is received by the Seller. In addition, Customer agrees that Seller shall be entitled to its reasonable costs of collection of all overdue amounts, including, but not limited to, the amount of reasonable attorneys' fees and expenses.
- 6.1.1 Customers who do not hold NET 30 accounts with Bombardier will have Exchanges and Rentals billed at current outright list price with credit of the Core value issued once the Core unit has been returned and processed.
- 6.1.2 Late Core and extended usage fees still apply as outlined in Article 15.
- 6.2 Seller reserves the right to alter a Customer's terms of payment, without prior notice to such Customer, if Customer fails to pay, when due, an amount that Customer owes to Bombardier, or an affiliate or subsidiary thereof, under any agreement with such entity.
- 6.3 Customer shall comply with all applicable monetary and exchange control regulations and shall obtain any necessary authority from the governmental agencies administering such regulations to enable Customer to make its payments to Seller at the time and place and in the manner specified herein.
- 6.4 Seller's invoice to Customer must be paid, in full, in the manner and within the time period set out in the invoice. In the event Customer disputes all or any portion of Seller's invoice, Customer shall nonetheless submit payment in full of the amount not in dispute, and Customer shall provide written notice to Seller of its dispute with the invoice within 30 days of the date of Seller's invoice, which notice shall provide detailed justification of the reasons for the dispute. In the event such dispute is not resolved (as confirmed in writing by Bombardier) within 20 days of receipt of such notice by Bombardier, then the outstanding amount in dispute shall become due and payable within 10 days of the expiry of such 20-day period without any further notice from Bombardier.
- 6.5 Seller reserves the right to immediately suspend, without notice, any supply of Parts in the event that the Customer fails to make any payment that the Customer is required to make hereunder, and Seller has the right to exercise all recourses available at law against Customer, including without limitation all rights to set-off against Customer for any payments due and owed to Bombardier under other contracts that Bombardier has with Customer and the right to be paid entirely in cash (C.O.D.) upon Seller's acceptance of any future Orders and prior to Seller's shipment of such Parts to Customer. All costs that may be incurred by the Customer as a result of such suspension, including the price of the suspended booking, shall be borne by the Customer.

Article 7 TITLE & RISK OF LOSS AND DUTIES

- 7.1 Property and title, and risk of loss or damage, to Parts shall pass to Customer upon delivery of such Parts, per Article 4.1, Free Carrier (FCA) Incoterms® 2020 Seller's designated facility. Seller agrees to notify Customer of the date Parts are shipped and the carrier's reference information (i.e. waybill number).
- 7.2 Property and title, and risk of loss or damage, to Parts being returned by Customer to Seller pursuant to Articles 12 "Return of Parts" and 14 "Component Exchange" shall pass to Seller upon delivery of such Parts at Seller's designated facility.
- 7.3 Notwithstanding any other provisions in these Terms, risk of loss or damage to Parts being returned by Customer to Seller pursuant to Article 17, "Parts Warranty", or to Customer-owned Parts being submitted to Seller for Repair, shall remain with Customer. Title to such Parts will at all times remain with Customer, except for title to returned Cores that have been replaced, which passes to Seller upon shipment to Customer of the replacement Parts.
- 7.4 Customer shall be responsible for the payment of any brokerage fees, customs duties, taxes, and other import charges with respect to the importation of any Parts into its country as per the Free Carrier FCA Incoterms® 2020 rule.

Article 8 INSURANCE

- 8.1 Customer shall be solely responsible for any transportation insurance or claims processing with respect to any accepted Order unless Seller should otherwise agree in writing prior to its shipment of the applicable Parts.

Article 9 PROCESSING PRIORITIES

- 9.1 Seller recognizes that, on occasion, a Customer will require a Part to be delivered to such Customer in less than normal delivery lead-time.
- 9.2 The Customer is requested to provide the date it needs the Part at Customer's facility ("**Customer's Required Date**"). The Seller will attempt to ship the Part by the Customer's Required Date considering Customer's selected carrier level to support the on-time arrival of the Part at Customer's facility. The intention of this Article 9.2 is to provide a realistic back-order date and/or report and in no way constitutes grounds for remedies should the Customer's Required Date not be achieved.
- 9.3 In response to this need to get the aircraft returned to service, the priorities for processing requirements have been established as follows:
- 9.3.1 AOG
Definition: Aircraft grounded by Part requirements
Estimated time to be shipped: Immediately to within 4 hours.
- 9.3.2 CRITICAL (Urgent)
Definition: Imminent AOG or work stoppage. Parts required by date given
Estimated time to be shipped: Four hours to within 24 hours.
- 9.3.3 ROUTINE
Definition: Standard Part stock / Standard Part stock order
Estimated time to be shipped: As agreed upon between the parties.

Article 10 PROCEDURES FOR PLACING ORDERS

- 10.1 Customer shall provide the following written information to Seller when placing an Order for Part(s):
- 10.1.1 Customer name and account number
 - 10.1.2 Purchase Order, Repair order and Smart Services contract number (if and when applicable)
 - 10.1.3 Aircraft serial number (mandatory for AOG, Critical and kit Orders)
 - 10.1.4 Part number
 - 10.1.5 Quantity
 - 10.1.6 Order type:
 - ✓ Outright Purchase
 - ✓ Exchange
 - ✓ Smart Services
 - ✓ Aircraft Warranty
 - ✓ Parts Warranty
 - ✓ Rental GSE or Spare
 - ✓ Tooling
 - ✓ GSE
 - ✓ Customer Repair or overhaul
 - 10.1.7 Billing Address
 - 10.1.8 Shipping Destination
 - 10.1.9 Specified Shipping Method
 - 10.1.10 Priority (Pursuant to the defined terms above in Article 9):
 - ✓ AOG (Aircraft serial number is required.)
 - ✓ Critical
 - ✓ Routine
 - 10.1.11 Customer's Required Date
 - 10.1.12 Complete serial number of faulty unit and defect for AOG orders
 - 10.1.13 Also required for some third-party suppliers:
 - ✓ Aircraft landings and cycles

Article 11

CANCELLATION OR CHANGES OF ORDERS

- 11.1 In the event Customer cancels an Order or requests a quantity reduction or change to an Order that has been placed (**“Customer Cancellation or Change”**), Seller shall be entitled to recover from Customer any expenses for time, material or labor incurred as a result of Customer Cancellation or Change.
- 11.1.1 A minimum of \$1500 administrative fee may be charged to the Customer for any Customer Cancellation or Change.

Article 12

RETURN OF PARTS

- 12.1 Prior to sending Parts to Seller, including but not limited to unused Parts returns, Customer shall complete an on-line Material Return Authorization (MRA) form. Customer shall then, at its own expense, deliver the Parts to Seller's designated facility identified on the MRA. The duly completed MRA form must accompany the returned Parts.
- 12.2 Prior to sending any unused Parts to Seller, Customer shall first obtain authorization from their Bombardier Parts return, representative and then complete an on-line MRA form. Seller shall have the right to refuse the return of non-shelf-stock Parts.
- 12.3 Customer's failure to include a duly completed MRA form with the returning Parts, or to deliver such Parts at Seller's designated facility identified on the MRA form for such Part, or to provide documents pursuant to Article 12.3, may result in one or more of the following:
- 12.3.1 Seller returning such Parts to Customer at Customer's sole risk and expense, or Seller charging recertification fees;
- 12.3.2 Seller charging Customer a \$1,500 administrative fee;
- 12.3.3 Seller refusing warranty coverage to Customer;
- 12.3.4 Customer's account not being credited for the return of any unused Parts;
- 12.3.5 Seller billing Customer for the outright replacement value of the Parts provided as an advance Exchange pursuant to Article 14; or
- 12.3.6 Seller charging Customer for customs costs incurred due to a missing or inaccurate Foreign Shippers Declaration form on required shipments.
- 12.4 All original documentation must be returned with the Part, including certification documents and any logbooks, maintenance cards or other time-tracking documentation required for Time Limits/Maintenance Checks (TLMC parts).
- 12.5 In addition to the completed MRA form, Customer must also enclose a commercial invoice, as well as a duly completed Foreign Shippers Declaration form, when the shipment is to cross international borders in order to prevent the shipment from being delayed by customs authorities or causing additional customs costs to be incurred. Customer is responsible for costs incurred due to missing or incomplete required documentation. Seller shall be entitled to recover from Customer any such expenses.
- 12.5.1 The commercial invoice required from Customer should contain the following information:
- ✓ Part number of the Parts being returned
 - ✓ Description of the Parts being returned
 - ✓ MRA number
 - ✓ Country of origin
 - ✓ Value of the Part being returned currency = U.S. Dollars
 - ✓ Airway bill or tracking number
- 12.5.2 At the time of shipment, Customer shall submit an advance notification with a copy of the commercial invoice, Foreign Shippers Declaration, and waybill to the following entities as applicable:
- For shipments destined to Seller's facilities outside the EU, by e-mail to each of fhk-learjet@fhkaysing.com and wichita.compliance@aero.bombardier.com.
 - For Fedex shipments destined to Seller's facilities within the EU, by e-mail to fra_fedex@aero.bombardier.com. All other carrier shipments, use fra_import@aero.bombardier.com.
- 12.6 Unused Parts Return Policy:
- 12.6.1 A restocking fee of \$500 or 10% of the non-discounted Catalogue List Price in effect at the time the purchase order was placed, whichever is greater, up to a maximum restocking fee of \$2,500, will be charged to Customer for each unused Part returned. Each returned Part is subject to Seller's quality inspection, which may require Customer to provide payment to Seller for recertification fees for such Parts. Seller may charge recertification and/or transportation fees if the tamper-proof seal is not intact when an unused Part is returned. For any unused Part returned, if Seller determines that the Part was used, the provisions of Article 12.2 shall apply.
- 12.6.2 Unused Parts are expected to arrive at Seller's designated facility within the following timeframe:
- for domestic and EU Customers, within 10 days following the date of shipment to Customer,
 - for shipments crossing international borders and for Customers in BRIC regions and Africa, within 20 days following the date of shipment to Customer;

- 12.6.2.1 and, in addition to the restocking fee described in Article 12.6.1 above, for unused Parts not returned within said timeframe, Customer shall be charged a flat late return fee of \$500 plus \$100 for each day of delay beyond 5 days.

12.6.3 Unused Parts are not eligible for return after 30 days following the date of shipment to Customer.

Article 13 LEGAL/GOVERNANCE COMPLIANCE AND OBLIGATION TO PROVIDE INFORMATION

- 13.1 Customer shall, at all times, comply with any applicable U.S., Canadian, and/or other applicable export, re-export, and import laws, regulations and requirements, licenses and governmental authorizations including but not limited to the U.S. Department of Commerce's Export Administration Regulations, the U.S. Department of State's International Traffic in Arms Regulations ("ITAR"), and the U.S. Department of Treasury's Office of Foreign Assets Control regulations. Customer shall be the importer of record of the Parts.

To the extent the Seller is required to obtain an export or import license or governmental authorization, Customer shall assist the Seller in obtaining any such export or import licenses and authorizations required.

- 13.2 Customer represents that neither it, nor any of its subsidiaries, ultimate beneficial owners, or any director, officer, employee, agent, affiliate or representative, the Aircraft operator, the Aircraft management company, nor any party to whom such Parts will be provided, either directly or indirectly is a government, individual, or entity that is (in whole or in part) directly or indirectly controlled by, or acting on behalf of a person that is: (A) subject of any to applicable economic, sectoral or financial sanctions laws or regulations that are administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the U.S. Department of Commerce, the U.S. Department of State, the government of Canada, through Global Affairs Canada and the Department of Public Safety and Emergency Preparedness (Canada), the United Kingdom through HM Treasury, the European Union Commission, the United Nations Security Council or any other relevant sanctions authority, as amended from time to time, nor (B) located, organized or resident in a country or territory that is the subject of Sanctions, as amended from time to time (including, without limitation, Russia, Belarus, Burma/Myanmar, Cuba, Iran, North Korea, Sudan and Syria or the non-Ukrainian government-controlled regions of Ukraine). Customer further represents that it shall, and shall cause each of its subsidiaries and affiliates, to have policies and procedures and maintain systems of internal controls to ensure compliance with this Article.
- 13.3 Customer represents that it shall not, and shall not permit any of its subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to, promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party (e.g., private individual, private company or a government official) in violation of any applicable anti-bribery or anti-corruption laws, regulations, requirements, rules, orders, rulings, policies, or directives, from any relevant jurisdictional authority. Customer further represents that it shall and shall cause each of its subsidiaries and affiliates to have policies and procedures and maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with any applicable anti-bribery or anti-corruption law, regulations, requirements, rules, orders, rulings, policies, or directives, from any relevant jurisdictional authority. Customer understands that failure to have such systems and internal controls in place and enforced by Customer shall be considered a breach of these General Terms and Conditions and Customer will be prohibited from receiving any future services or Parts as determined in Seller's sole discretion.
- 13.4 This Article 13.4 shall apply where Seller is established in the European Union and Customer is established in a country not listed in Annex VIII of Regulation (EU) No 833/2014 and Annex IVa of Regulation (EC) No 765/2006, as modified from time to time. Customer represents that it shall not, and shall not permit any of its subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to, "re-export" any Part (which shall include any Part supplied by Seller and any Part owned by the Customer that Seller agrees to repair, modify, recertify or overhaul) or any aircraft containing any such Part, to Russia or Belarus, or "for use in" in Russia or Belarus. The terms "re-export" and "for use in" as used in this Article 13.4 shall have the meaning as defined and construed under European Union laws, regulations, and/or applicable regulatory guidance. Seller reserves the right to notify any breach of this Article 13.4 to any relevant jurisdictional authority and Customer agrees to cooperate fully with Seller in any such notification and subsequent discussions with, or investigations conducted by, any relevant jurisdictional authority, and to provide any additional information or documentation requested by Seller.
- 13.5 Customer represents that it has the appropriate policies, procedures and resources in place to comply with this Article 13 ("Compliance Program") and its practices are in conformance with the requirements of such Compliance Program. Customer undertakes to immediately inform Seller should the representations made under this Article or information provided herein, cease to be true based on new circumstances (e.g., changes in ownership), it becoming aware that any Part has been re-exported to or for use in Russia or Belarus in breach of Article 13.4, or changes to applicable laws identifying new sanctioned persons or entities. Accordingly, in the event Customer no longer owns, leases, operates, or manages the Aircraft, or in the event Customer changes its ownership, management or financial control, Customer shall promptly notify the Seller in writing to furnish the details of such event and after such notification the Seller may, at its sole discretion, exercise its rights under Article 22.4.
- 13.6 As a condition precedent to providing Parts or services under these Terms and prior to engaging in any transaction with Seller, or upon request, Customer shall complete and submit to Seller duly completed and signed Bombardier Aviation Due Diligence Questionnaire ("Questionnaire") as well as any other supporting documentation as may be required by Seller. The Questionnaire will be provided by Seller and will require Customer to provide information including but not limited to ownership structure for the

purpose of ensuring compliance with applicable export control and sanctions laws and regulations. Customer shall provide complete and accurate responses to the Questionnaire and shall promptly notify Seller of any material changes in such responses. Seller will rely on the information provided by Customer in the Questionnaire to ensure compliance with such laws and regulations and determine whether to engage in or continue with any transaction with Customer. Failure to complete and submit the Questionnaire may result in Seller declining to engage in any transaction with Customer. Customer agrees to cooperate fully with Seller in any such compliance efforts, and to provide any additional information or documentation requested by Seller to support its compliance efforts.

- 13.7 Should Seller have reason to believe that any of the statements above, or information provided by Customer, cease to be true, Customer acknowledges and agrees that its Bombardier account may be placed on "No Ship, No Service" pursuant to Article 22.4 of these Terms and waives all rights to receive goods or services without recourse against Seller.
- 13.8 Notwithstanding the above, Customer is solely responsible for compliance with Article 13 and Seller is not responsible for Customer's adherence to such Article. Customer will defend, indemnify, and hold harmless Seller from all Claims, demands, causes of action, damages, Losses, fines, penalties or costs, including attorney's fees, which Seller may suffer by reason of the non-compliance by Customer with Article 13.

Article 14 COMPONENT EXCHANGE

- 14.1 Customer's Core must be an identical part number to the Exchange Part shipped by Seller to Customer and be in an economically repairable condition. Any Core that is not a like-for-like part number return must be authorized by Seller prior to return. Interchangeability of a Part does not equate to like-for-like and may not be accepted by Seller as a Core return. All Core returns must be in accordance with Article 12.1.
- 14.1.1 The Core is expected to arrive at the Seller's designated facility within 15 days for domestic and within 20 days for shipments crossing international borders after the date on which Seller shipped the serviceable Exchange Part.
- 14.1.2 For operators within the EU, the Core is expected to arrive at the Seller's facility in Frankfurt within 15 days after the date on which the Seller shipped the serviceable Exchange Part.
- 14.1.3 For operators in Brazil, Russia, India and China ("**BRIC Regions**") and Africa, the Core is expected to arrive at Seller's designated facility within 30 days after the date on which the Seller shipped the serviceable Exchange Part.
- 14.1.4 The provisions of this Article 14 apply equally to the return of a Core associated with dedicated Bombardier campaigns such as, but not limited to, RIMP, MAX, ADSB, BATCH 3, etc., except that the deadline for the Core to arrive at the Seller's designated facility shall be 10 days.
- 14.1.5 Cores not arriving at Seller's designated facility within any of the above-mentioned deadlines will be subject to late return charges pursuant to Article 15.
- 14.2 In the event of Exchange Parts supplied directly by a Vendor, the Vendor's terms and conditions shall apply, including, but not limited to, applicable timeline and late Core penalties.
- 14.3 The provisions of Article 12 apply equally to the return of any Core.
- 14.4 Seller reserves the right to refuse to provide Exchange Parts at its sole discretion.
- 14.5 Prices for Exchange Parts are based on normal repair/overhaul and for like Cores. Occasionally, parts not considered normal to the repair/overhaul (example: pistons, housings, armatures, etc.) will be required. These parts will be billed in addition to the price for the Exchange Part. Additionally, any charges associated with the acceptance of a non-like-for-like part such as, but not limited to upgrade fees, remain the responsibility of the Customer.
- 14.6 In addition to the price of the Exchange Part, additional expenses incurred due to the repairable condition of the Core, modification status, or configuration on return delivery will be billed to the Customer. Furthermore, an administrative fee of ten percent (10%) of the price of such additional expenses up to a maximum of US\$1500 per Exchange, will also be billed to the Customer.
- 14.7 Seller reserves the right to provide a new Part, at new outright purchase price, in lieu of an Exchange Part, when an overhauled or repaired Exchange Part is not available. Prior coordination with the Customer will be attempted under this circumstance but cannot be guaranteed. In such event, Seller will invoice Customer for such new Part based on new outright list price.
- 14.7.1 Seller reserves the right to provide a repaired Exchange Part when an overhauled Exchange Part is requested and vice versa if the requested repaired/overhauled Exchange Part is not available. Prior coordination with the Customer will be attempted under this circumstance but cannot be guaranteed. In such event, Seller will invoice Customer for such repaired or overhauled Exchange Part as applicable.
- 14.8 Customer understands to determine that a Core conforms to its type design and is in a condition for safe operation once it is overhauled or repaired, Customer must provide Seller with the history of a Core upon return to Seller. Customer shall disclose to Seller in writing in the MRA if an aircraft from which the Core was removed (or if the Core itself) was involved in an event, incident, accident or upset resulting in visible or hidden Damage to an aircraft or Core. For purposes of these Terms, the term "Damage" means an aircraft Core that has been subjected to a condition outside the design intent and exceeding the design limit of the

aircraft. Examples of Damage conditions include, but are not limited to, water, heat, fire, ice, frost, stress, impact, flutter, humidity, Foreign Object Damage (FOD), collision, torsion, bending, compressing, shearing, cracking, bulging, breaking, scraping, cutting, failing, sooting, scorching, melting, burning, freezing, corroding, seizing, shorting, slicing, galling, spalling, gouging, fretting, deforming, exposure to environmental elements, improper preservation and the like. Customer represents and warrants that Customer shall provide the full and complete history of the Core in the MRA that is known to Customer including whether the Core and/or an aircraft from which the Core was removed has Damage history. Customer understands that Seller is relying on Customer representations with respect to the history of the Core and that Customer's failure to disclose any Damage history of the Core or an aircraft from which the Core was removed will be deemed a false and misleading statement and a breach of these Terms. Seller reserves the right to pursue all legal and equitable remedies in the event of a breach of this Article 14.8 and to such other and further action as Seller deems appropriate including but not limited to refusing to do business with Customer. Seller also reserves the right to refuse to provide Exchange Parts and/or to reject a Core in its sole discretion.

14.9 In the event that a Core returned is subsequently determined to be serviceable, then Seller shall be entitled to charge and recover from Customer any reasonable costs incurred by Seller in connection with such return.

14.10 However, in the event that repetitive in-service failure occurs on the particular Part, which is subsequently identified by Seller on a repeated basis to be "no fault found", then Seller and Customer shall discuss and mutually agree on a course of further action to help identify the source of such recurring failure.

Article 15 LATE RETURN CHARGE FOR CORES

15.1 A flat charge of \$500 applies to any late returns. Beyond 5 days late, an additional \$100 per day charge applies.

15.2 Late fees shall continue to accrue for Parts returned with incomplete MRA forms or missing required documentation such as duly completed logbooks or cards. Late fees shall continue to accrue until the Customer has provided all required information to process the Part. Failure to provide such required documentation or missing information may result in the Customer being invoiced for the non-discounted catalogue new price, pursuant to Article 15.3.

15.3 For any Cores not returned to Seller within 30 days of the date on which Seller shipped the serviceable Part (within 40 days for operators in BRIC Regions and Africa, Customer will be deemed to have purchased the serviceable Part, and Customer will be invoiced the equivalent of the non-discounted Catalogue new price for outright purchase, in addition to any charges previously incurred. Acceptance of Cores returned beyond such 30 days (or 40 days for BRIC and Africa) will be at the sole discretion of Seller.

15.4 Seller reserves the right to refuse credit and return Cores at Customer's expense for Cores that are (i) not like-for-like Part numbers, (ii) disassembled Parts, (iii) incomplete Parts, (iv) accompanied by incomplete Material Return Authorization forms, (v) Beyond Economical Repair (BER), or (vi) missing or have incomplete logbooks or cards. In the event of a BER or an unacceptable Part determination, Seller will attempt to first provide the Customer notice of the finding and request a scrap-on-site or return-to-Customer disposition. Seller reserves the right to provide a Core disposition of scrap-on-site to the Vendor if there is no clear disposition by the Customer within 5 calendar days of such notice. Requests for BER or unacceptable Parts returns to Customer will be transacted at the Customer's expense.

15.5 Seller reserves the right to recover any charges assessed by Vendor for any damages found that are not caused by normal wear and tear or for late returns. Furthermore, in the event of Exchange Parts supplied directly by a Vendor, the Vendor's terms and conditions shall apply, including but not limited to applicable timeline and late Core penalties.

Article 16 RENTAL PROGRAM FOR PARTS

16.1 Rental Quotations for select Parts, for delivery to Customer Free Carrier (FCA) Incoterms® 2020 Seller's designated facility, are available upon request.

16.2 Rentals are subject to an additional re-certification fee or recalibration fee at Customer's expense.

16.3 Rentals are subject to availability.

16.4 Special paint requests will be undertaken at Customer's expense.

16.5 Customer will pay for the repair of any Rental Part if such is damaged prior to its return to Seller (normal wear and tear excepted).

16.6 Customer shall be obligated to pay to Seller the outright purchase price for any Rental Part that is defaced or modified in any way.

16.7 At the end of the Rental period, Customer will return the Rental Part to Seller in accordance with Article 12.1.

16.8 Billing will be calculated on a minimum fee of 30 days for a Rental Part, 7 days for a Rental Ground Support Equipment (GSE), plus the applicable or receptive re-certification/recalibration fee.

16.9 Any Rental period over the minimum fee period will be charged on a pro rata daily basis.

- 16.10 The Rental period commences upon the departure of the Rental Part from Seller's facility and terminates on its return to Seller's designated facility. Customer acknowledges that return to Seller's facility will be confirmed within 24 hours of the delivery to Seller's facility, and Customer will remain responsible for all rental fees until confirmation of Seller's receipt of such Rental Parts.
- 16.11 Unless otherwise specifically agreed in writing by Customer, the maximum period of time for any Rental under this program shall be 180 days. After the expiration of such 180-day period, the respective Rental Part shall be considered purchased by the Customer. Additional billing will be made for the full outright purchase price of a new Part, minus Rental fees billed to and/or paid (whichever is greater) by Customer to date, provided no such additional billing shall be negative.
- 16.12 A Part issued on a Rental basis that at a future date is requested by the Customer to be changed to an outright sale or Exchange will be billed as a Rental from the time of delivery to the date of such request.
- 16.13 If a repair of the Customer-owned Part is also being administered by Seller, the Rental order may not be converted to an Exchange transaction once the repair estimate has been provided to the Customer.
- 16.14 If a Repair of the Customer-owned Part is also being administered by Seller, the Rental fee will be capped at 90 days.
- 16.15 The Customer has 10 days to return a Rental Part following the return of the Repaired Customer-owned Part or notice is provided that the Customer-owned Part is ready. Beyond this period the Rental fees will restart as of the date of such return of the Repaired Part or such notice of readiness using the original Rental fee.
- 16.16 In the event of a Rental supplied directly by a Vendor, the Vendor's terms and conditions shall apply, including, but not limited to, applicable timeline and late return penalties.

Article 17 PARTS WARRANTY

- 17.1 The specific coverages, warranty periods, conditions, and limitations are set out in this Article and/or in Appendix 1 hereof.

17.2 Exceptions

- 17.2.1 Seller has no obligation or responsibility under the warranties set out in Appendix 1 for:

- (a) Normal wear and tear and the need for regular maintenance and overhaul;
- (b) Unapproved modification or changes;
- (c) Operations beyond those for which the aircraft in which the Part is installed has been certified;
- (d) Foreign Object Damage (FOD) or Customer-induced damage;
- (e) Part not operated or maintained in accordance with Seller documentation furnished or available to Customer (including Service Bulletins and airworthiness directives);
- (f) Defect not becoming apparent within the warranty period;
- (g) Defect not reported by Customer in writing to Seller within the period of time referred to Article 17.4.1 herein; or
- (h) Any indirect, special, incidental or consequential damage caused by the failure of the Part.

- 17.2.2 In the event that a Part returned under a warranty claim is subsequently established to be serviceable, then Seller shall be entitled to charge and recover from Customer any reasonable costs incurred by Seller in connection with such warranty claim. However, in the event that repetitive in-service failure occurs on a particular Part, which is subsequently identified by Seller on a repeated basis to be "no fault found", then Seller and Customer shall discuss and mutually agree on a course of further action to help identify the source of the recurring failure. In the event the fault is ultimately confirmed to be a legitimate warranty claim, Seller will reimburse Customer for any costs Customer paid to Seller pursuant to this Article 17.2.2.

17.3 Repair, Replacement or Rework

- 17.3.1 Seller's sole obligation and liability under this warranty is expressly limited to, at Seller's election, correction by the repair, replacement or rework of the defective Part. The repaired, replaced or reworked Part which is the subject of the warranty claim shall then be warranted under the same terms and conditions for the then un-expired portion of the

warranty period. In the event Seller elects to replace a defective Part under this warranty, Seller may supply a repaired or overhauled Part which has a configuration identical to, or higher than, the defective Part that is being replaced under warranty.

17.4 Claims Information

- 17.4.1 Customer's obligation hereunder is subject to submission of a warranty claim in writing to Seller within 15 days of the defect becoming apparent to Customer.

17.5 Timely Correction

- 17.5.1 Seller shall make the repair, replacement or rework, following receipt of the defective Part, with reasonable care and dispatch.

17.6 Approval, Audit, Transportation

- 17.6.1 All warranty claims shall be subject to audit and approval by Seller. Seller will use reasonable efforts to advise Customer in writing the disposition of Customer's warranty claim within 30 days following the receipt of the claim and return of the defective Part to Seller's designated facility. Seller shall notify Customer of Seller's disposition of each claim.
- 17.6.2 Customer shall deliver the defective Part at the facility designated by the Customer Service Representative in accordance with Article 12.1. The repaired or replacement Part shall be delivered to Customer Free Carrier (FCA) Incoterms® 2020 Seller's designated facility.

- 17.7 THE WARRANTY OBLIGATIONS AND LIABILITIES OF SELLER AND THE RIGHTS AND REMEDIES OF CUSTOMER SET FORTH IN THESE TERMS ARE EXCLUSIVE AND ARE IN LIEU OF, AND CUSTOMER HEREBY WAIVES AND RELEASES ALL OTHER WARRANTIES, CONDITIONS, OBLIGATIONS, GUARANTEES, REPRESENTATIONS, LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW, IN CONTRACT, CIVIL LIABILITY OR IN TORT, OR OTHERWISE, INCLUDING RIGHTS OR REMEDIES, EXPRESS OR IMPLIED ARISING BY LAW, IN CONTRACT, CIVIL LIABILITY, IN TORT OR NEGLIGENCE, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR OF ANY IMPLIED CONDITION, AND ANY WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE AND ANY OTHER OBLIGATION OR LIABILITY ON THE PART OF SELLER TO ANYONE OF ANY NATURE WHATSOEVER BY REASON OF THE DESIGN, MANUFACTURE, SALE, REPAIR, RENTAL, OR USE OF THE PARTS DELIVERED HEREUNDER.

Article 18 EXCUSABLE DELAY

- 18.1 In the event Seller is delayed in the performance of its obligations or responsibility under an Order due directly or indirectly to a cause which is beyond Seller's reasonable control or without Seller's fault or negligence (an "**Excusable Delay**"), Seller shall not be liable for, nor shall Seller be deemed to be in default under the respective Order or these Terms on account of such delay in delivery of the material or other performance hereunder and the time fixed or required for the performance of any obligations or responsibility in the Order or these Terms shall be extended for a period equal to the period during which any such cause or the effect thereof persists. Excusable Delay shall be deemed to include, without limitation:

a) delays occasioned by events of force majeure ("**Event of Force Majeure**") including but not limited to the following:

- i. Acts of God, nuclear or natural catastrophes;
- ii. war, warlike operations, acts of terrorism, act of the enemy, armed aggression, civil or military commotion or disturbance, insurrection, riot, or embargo;
- iii. fire, explosion, earthquake, lightning, flood, draught, windstorm, or other action of the elements or other catastrophic or serious accidents;
- iv. epidemic, pandemic, or quarantine restrictions (either at a global or regional scale);
- v. any legislation, act, order, directive or regulation of any governmental or other duly constituted authority;
- vi. strikes, lockout, walkout, work stoppage, and/or other labor troubles causing cessation, slow-down or interruption of work;
- vii. shortage or delay in delivery of supplies, materials, accessories, equipment, tools or parts;

- viii. interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services
- ix. delay or failure of carriers, subcontractors, or suppliers for any reason whatsoever;
- b) delay in obtaining any airworthiness approval or certificate, for any equivalent approval or certification, by reason of any law or governmental order, directive or regulation or any change thereto, or interpretation thereof, by a governmental agency, the effective date of which is subsequent to the date Customer's Order is accepted by Seller, or by reason of any change or addition made by Seller or its affiliates or requested by a governmental agency to the compliance program of Seller or of its affiliate, or any part thereof, as same may have been approved by regulatory authorities, or change to the interpretation thereof to obtain any such airworthiness approval or certificate; or
- c) delay in Customer's compliance with the provisions of Article 13, including but not limited to, delays by the Customer in completing the Questionnaire or providing any other information requested by the Seller pursuant to Article 13.

Article 19 LIMITATION OF LIABILITY

- 19.1 IN NO EVENT SELLER SHALL BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, AND / OR PUNITIVE DAMAGES OF ANY KIND OR NATURE UNDER ANY CIRCUMSTANCES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOSS OF GOODWILL, LOSS OF BUSINESS OPPORTUNITY AND/OR LOSS OR DAMAGE FOR OR ARISING OUT OF ANY LACK OR LOSS OF USE OF ANY AIRCRAFT, EQUIPMENT OR ANY PARTS FOR ANY REASON AND WITHOUT LIMITING THE FOREGOING, SELLER SHALL NOT UNDER ANY CIRCUMSTANCES BE RESPONSIBLE FOR ANY DAMAGES, DIRECT OR INDIRECT, RELATED TO THE COST OF ALTERNATIVE AIRCRAFT TRANSPORTATION (INCLUDING BUT NOT LIMITED TO CHARTERING AIRCRAFT, LEASING OF AIRCRAFT PURCHASE OF AIRCRAFT, FRACTIONAL AIRSHARE COSTS, PROVISION OF BOMBARDIER OWNED AIRCRAFT FOR CUSTOMER'S USE), ADDITIONAL TRAVEL EXPENSES, OR THE LOSS OF REVENUE OR PROFITS RELATED THERETO.
- 19.2 Seller's total liability arising under or in connections with these Terms together with any related Claims arising under common law or statute, whether sounding in contract, tort or otherwise (including but not limited misrepresentation, restitution or otherwise), shall be limited to the total amount paid to and received by Seller under these Terms for the Part or service which gives rise to the Claim.
- 19.3 To the extent applicable laws do not allow certain limitations warranties or remedies set forth in these Terms, these limitations on warranties or remedies will be amended insofar, and only insofar, as required by said laws.

Article 20 INSPECTION

- 20.1 All Parts are subject to inspection by Customer at destination. Use of Parts or failure to give notice of rejection within 30 days after Customer's receipt shall constitute acceptance. Acceptance shall be final and Customer waives the right to revoke acceptance for any reason, whether or not cause for rejection is known to Customer at the time of acceptance or deemed acceptance. Customer's remedies for defects discovered before acceptance are exclusively provided for in Article 20.2 below.
- 20.2 Any notice of rejection shall specify the reasons for rejection. If Seller concurs with a rejection, Seller shall, at its option, correct, repair or replace the rejected Part. Customer shall, upon receipt of Seller's written instructions, deliver the rejected Part to Seller in accordance with Article 12.1. The repaired or replacement Part for the rejected Part will be delivered to Customer Free Carrier (FCA) Incoterms® 2020 Seller's designated facility.

Article 21 INDEMNITY AGAINST PATENT INFRINGEMENT

21.1 Indemnification

Subject to the provisions set out in this Article 21 and contingent upon Customer's obligations listed in Section 21.2.1, Seller shall and hold Customer harmless from all Claims and Losses (excluding Claims or Losses arising from the loss of use of the aircraft or any Parts) that may be claimed or asserted against Customer that any Part purchased under these Terms, or the use thereof in the operation of an aircraft, constitutes an infringement of a Canadian or United States patent, utility patent, design patent, industrial design or trademark. In no event will Seller's obligations to indemnify, defend and hold Customer harmless apply to aircraft engines or avionics equipment, or to any accessories, equipment, Parts, or software which are not manufactured by Bombardier or are not manufactured exclusively pursuant to Bombardier's detailed design, or to any accessories, equipment, Parts, or software which are incorporated in the aircraft by Customer or at Customer's request or direction instead of, or in addition to, accessories, equipment, Parts or software proposed by Bombardier.

21.2 Indemnification Procedure

21.2.1 Seller's obligations in this Article 21 to indemnify, defend and hold Customer harmless are contingent on the following:

- (a) Customer notifying Seller of the Claim within ten (10) days of Customer's receipt of the Claim, and providing sufficient detail of the Claim (to the extent available) so as to permit Seller to exercise its rights on an informed basis.
- (b) Customer keeping Seller fully informed of all material developments relating to the Claim and promptly furnishing to Seller all data, papers, and records within its possession, and any other information or material within Customer's knowledge, that are necessary or useful to defend or contest the Claim.
- (c) Customer not admitting, settling, discharging or prejudicing Seller's conduct of the Claim or Losses without obtaining prior written approval of the Seller.

21.2.2 Customer shall (i) give Seller sole control of the defense of the Claim and/or any related settlement discussions, (ii) use diligent efforts, in full cooperation with Seller, and (iii) mitigate and reduce Losses relating to the Claim.

21.2.3 If any Claim covered by Section 21.1 is asserted or issued by a third party against Customer, then Seller will assume the defense of or contest the Claim at its own cost and expense with legal counsel of its selection, and will determine whether any settlement should be made with respect thereto in its sole discretion. Customer may observe the defense of such Claim by its own legal counsel at its own cost and expense.

21.3 Disclaimer

SELLER'S OBLIGATIONS IN THIS ARTICLE 21 ARE THE ONLY OBLIGATIONS UNDERTAKEN BY SELLER, ITS SUBSIDIARIES OR AFFILIATES, AND EXCLUDES ANY AND ALL OTHER OBLIGATIONS, EXPRESS OR IMPLIED, ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING OR USAGE OF TRADE, TO WHICH SELLER, ITS SUBSIDIARIES OR AFFILIATES MIGHT OTHERWISE BE LIABLE WITH RESPECT TO ANY PATENT INFRINGEMENT OR ALLEGED PATENT INFRINGEMENT BY ANY PARTS PROVIDED TO CUSTOMER UNDER THESE TERMS AND SUCH OBLIGATIONS SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT IN WRITING SIGNED BY SELLER, ITS SUBSIDIARIES OR AFFILIATES, AND CUSTOMER UNDER THE HANDS OF THEIR RESPECTIVE DULY AUTHORIZED REPRESENTATIVES.

Article 22 GENERAL PROVISIONS

22.1 These Terms, including their formation, validity, performance, termination or enforcement, and the parties' relationship in connection therewith, together with any related Claims arising under common law or statute, whether sounding in contract, tort or otherwise, shall be governed, construed, and enforced in all respects in accordance with the laws of the State of Kansas, excluding Kansas's conflict of law principles. The United States District Court for the District of Kansas in the City of Wichita shall have exclusive jurisdiction over any legal action, litigation, suit or proceeding relating to or arising out of or in connection with, directly or indirectly, these Terms, together with any related Claims arising under common law or statute, whether sounding in contract, tort, or otherwise. However, in the event such court does not have federal subject matter jurisdiction over the dispute, then the 18th Judicial District Court for the State of Kansas in the City of Wichita shall have exclusive jurisdiction over any such dispute. The Parties fully waive any objection to the venue of such courts.

Jury Waiver. The parties waive all rights to a jury trial in any legal action, litigation, suit or proceeding relating to or arising out of or in connection with, directly or indirectly, these terms, together with any related Claims arising under common law or statute, whether sounding in contract, tort, or otherwise.

22.2 By placement of Orders or acceptance of the Parts covered thereby, Customer has expressly agreed to these Terms.

22.3 Customer shall not assign any of its rights or delegate any of its obligations under these Terms without Seller's prior consent. Seller may, without Customer's consent, transfer, sell or assign any receivable or other right or interest that Seller may have or acquire under these Terms.

22.4 In the event the Customer has breached any of these Terms, Seller may, without notice, immediately:

- a) reject Orders from Customer;
- b) suspend processing of any Orders already received from Customer;
- c) suspend any sale or supply of Parts to Customer; and-
- d) place Customer's Bombardier account-# on "No Ship No Service" meaning Customer will not be able to purchase any Parts or services from the Seller.

22.5 Except as expressly provided in these Terms, all rights and remedies of Seller under these Terms are cumulative of each other and in addition to every other right or remedy Seller may otherwise have at law or in equity, and the exercise of one or more rights or remedies shall not be deemed a waiver or impair the concurrent or subsequent exercise of other rights or remedies.

22.6 Failure by Seller at any time to enforce any provision of these Terms will not be a waiver of any such right to enforce or of the

right thereafter to enforce each provision. If any section of these Terms or any obligations hereunder be found to be illegal, invalid or unenforceable in any respect, such illegality, invalidity or unenforceability shall attach only to such section or obligation and shall not affect any other section or obligation in these Terms, all of which shall remain enforceable in accordance with their terms.

- 22.7 These Terms shall constitute the entire agreement between the parties and supersede all prior offers, negotiations and agreements relating to the subject matter hereof, including but not limited to Customer's terms and conditions presented to Seller prior or subsequent to the date of these Terms. These Terms shall not be varied except in writing signed by both of the parties. For avoidance of doubt, the terms of a purchase order issued by Customer cannot change, supplement or modify these Terms. A purchase order issued by Customer constitutes acceptance of these Terms which shall apply to the exclusion of any and all terms and conditions contained in such purchase order, or any document or communication of Customer not specifically agreed in writing and signed by Seller.

APPENDIX 1

WARRANTY FOR LEARJET, CHALLENGER & GLOBAL PARTS

1. Warranty

- 1.1 Seller warrants that, at the date of delivery of a Part to Customer, such Part shall be free from defects in material, workmanship and design, having regard to the state of the art as of the date of such design.
- 1.2 Subject to Article 17.2 of these Terms, the warranty period (the "Warranty Period") shall be as follows: for new, overhauled and repaired Parts and Repairs on Customer-owned Parts carried out by Bombardier component repair and overhaul shops, the warranty period shall remain in effect for any defect covered by the Parts warranty that becomes apparent during the 24 month period following delivery of the initial Parts or repaired Customer-owned Parts; for Vendor Repair services on Customer-owned Parts, the warranty period shall remain in effect for any defect covered by the Parts warranty that becomes apparent during the 12 month period following delivery of the initial repaired Customer-owned Parts.
- 1.3 Seller's warranty is between Seller and (i) the Customer having purchased the Part from Seller and taken title to such Part or (ii) the Customer being party to Seller's Smart Services program (such as Smart Services) and having taken title to a Part provided by Seller to Customer under such program. In the event of transfer of a Smart Services agreement to a third party, such third party may avail itself of Seller's remaining Warranty Period, if any and if applicable.

2. Windshield Warranty Program

- 2.1 Seller provides an extended warranty for windshield assemblies of:
 - 2.1.1 Three years for Global Express; and
 - 2.1.2 Three years for Challenger.
- 2.2 When ordering a replacement windshield under this warranty, Customer shall specify that it is a warranty replacement and shall return the Core as instructed.

3. Main Landing Gear Brake Assembly Program for CL600/CL601/CL604/CL605/CL650

- 3.1 Seller provides a program that guarantees a maximum cost per brake landing based on a minimum of 1,700 landings for CL600/CL601 and 2,000 landings for CL604/CL605/CL650 for a full wear brake assembly.
- 3.2 Brake assemblies purchased from Seller and removed for cause, as determined by the latest revision of the Component Maintenance Manual, will receive a pro-rata credit for the unachieved landings, as measured by the wear pin at the receiving facility upon receipt, at a rate based on the price when the defective unit was originally ordered. In the case of a first run assembly, the current exchange price will be used.
- 3.3 Overhauled exchange brake assemblies have full wear carbon stacks. Repaired exchange brake assemblies are shipped with 50 to 99% carbon wear life remaining. Repaired assemblies are guaranteed for half the life of new or overhauled units.

4. Defective on Arrival Labor Credit Program and Other Considerations

- 4.1 Seller provides a labor allowance in the form of a credit to compensate a Customer who may receive a DOA Part. Seller will also reimburse Customer in the form of a credit for shipping charges incurred by Customer for the return of the DOA Part and its replacement, in accordance with Article 12 "Return of Parts" of these Terms.
- 4.2 Customer must submit a warranty claim in writing to Seller within 15 days of the defect becoming apparent in order to be considered for the labor allowance credit and shipping charges credit.
- 4.3 The labor rate will be \$50 US per hour to cover the removal of the failed Part and the installation of the replacement Part for a Customer where the work was done at such Customer's home base.
- 4.4 If the DOA occurred at a Bombardier Aerospace service center ("BAS") facility or at an authorized service facility ("ASF"), the labor credit allowance will be given to such BAS or ASF facility, again not to exceed such BAS or ASF facility's flat rate labor hours.

- 4.5 In order to claim the labor allowance credit and shipping charges credit, the Online Labor Claim located in the Parts & Warranty section of the applicable website must be duly completed by the requester and submitted to Seller. To obtain information on warranty claims, please call:

Challenger / Global models
+1-514-855-7435

Learjet models
+1-316-946-2329 or +1-316-946-7762

- 4.6 In the event that a Part returned under a warranty claim is subsequently established to be serviceable then Seller shall be entitled to charge and recover from Customer any reasonable costs incurred by Seller in connection with such warranty claim.
- 4.7 However, in the event that repetitive in-service failure occurs on the particular Part, which is subsequently identified by Seller on a repeated basis to be "no fault found", then Seller and Customer shall discuss and mutually agree on a course of further action to help identify the source of the recurring failure.
- 4.8 In the event the fault is ultimately confirmed to be a legitimate Part warranty claim, then Seller will reimburse Customer for any costs Customer paid to Seller pursuant to paragraph 4.6 above.
- 4.9 For Seller-recommended Parts that did not fix the problem or were not required, Seller will reimburse Customer in the form of a credit for shipping charges for the unused Part as well as labor costs associated with its installation and removal.
- 4.10 For main and APU battery claims, the Customer must provide Seller with a complete updated copy of the battery maintenance logbook to qualify for warranty consideration.