

The present General Terms and Conditions of Sale ("**GTC**") apply to all sales of products, materiel and equipment made to professionals by the company CAE GROUPE, a *société par actions simplifiée* governed by French law with a share capital of 800,000 euros having its registered office located at 3, rue Jeanne Garnerin, Parc Air Park de Paris, bâtiment B4, ZAC des Hauts-de-Wissous, 91320 Wissous, France, registered under number 320 921 364 RCS Evry.

The placing of an order for products, materiel or equipment implies the fully approval by the purchaser of the GTC, which shall prevail over all other documents produced by the purchaser, and in particular over any general terms and conditions of purchase, the parties expressly renounce to the provision of the second paragraph of Article 1119 of the French Civil Code.

As a consequence, the placing of an order by a purchaser signifies the fully approval, by said purchaser, of the GTC and, if applicable, of any special terms and conditions agreed to in writing by CAE GROUPE for the purchaser.

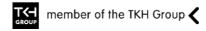
All other documents, including catalogues, brochures, advertisements, notices, etc. shall merely serve to provide information, without being contractually binding.

### 1 OPENING A CLIENT ACCOUNT

When a purchaser places an order for the first time with CAE GROUPE, this must be preceded by opening a client account with CAE GROUPE in its name. This opening will be carried out by CAE GROUPE after CAE GROUPE receives the document entitled 'Client Opening Form and Special Terms', duly filed, dated and signed by the purchaser who shall, in addition, as the case may be, stamp it with its commercial seal and append any supporting documentation requested in the form, together with a copy of the GTC initialled, dated and signed by its duly authorised representative and bearing, as the case may be, its commercial seal. The original GTC and "Client Opening Form and Special Terms" documents shall be sent to CAE GROUPE.

# 2 ORDERS

- 2.1 Orders can be sent to CAE GROUPE in writing by any means, whether by post, email or fax, or by telephone provided all the information required for proper fulfilment of the order is provided, notably the identification of the person (corporate name, address, registered number) who place the order, references for the products being ordered, as well as the quantity and the delivery procedures selected. For any verbal orders (by telephone) to be valid, they shall be confirmed in writing by the purchaser.
- 2.2 Any order will only be deemed to have been accepted by CAE GROUPE if this is indicated by means of an acknowledgement of order document, drawn up by CAE GROUPE and sent to the purchaser by fax, email or post. This acknowledgment order document shall be signed by a duly authorised representative of the purchaser and shall be returned to CAE GROUPE, as promptly as possible, by any means it deems fit. Once the acknowledgement order document has been validated and returned in written form (by post, fax or email) by







the purchaser, the order becomes then irrevocable, under the terms set out in this document, the purchaser renouncing to the provision of Article 1195 of the French Civil Code (unforeseeable change of circumstances).

The place of execution of the sale is the place of CAE GROUPE registered office on the date when the initial or revised (as stipulated under clause 2-3 herein) order becomes irrevocable.

**2.3** Should the purchaser reject the payment terms proposed by CAE GROUPE and be unable to offer an adequate financial guarantee, CAE GROUPE shall be entitled to refuse to fulfil the placed order(s) and to deliver the relevant products, without the purchaser being in a position to allege an unjustified refusal to sell or claim any form of compensation of any nature whatsoever.

Likewise, if purchaser places an order with CAE GROUPE without having paid invoices that have already fallen due, CAE GROUPE shall be entitled to refuse to fulfil the placed order and to deliver the relevant products, without the purchaser being in a position to allege an unjustified refusal to sell or claim any form of compensation of any nature whatsoever.

The purchaser shall not be entitled to modify order (quantity, delivery date and means) unless it is expressly and previously accepted by CAE GROUPE. For all order modified by the purchaser and duly accepted by CAE GROUPE, such order becoming irrevocable, CAE GROUPE and the purchaser will agree on new deadline for its fulfilment. If an order is modified after delivery of the products, the return of these products to CAE GROUPE's storage facilities shall be carried out at the purchaser's expense, and shall give rise to payment by the purchaser of an indemnity to cover the costs of the products' reintegration into storage, contractually set at a lump sum fixed to 20% of the sale price (VAT excluded) of the products returned.

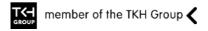
- **2.4** All orders have to relate to amounts of products over a specified minimum value, failing which processing charges shall be payable.
- **2.5** The minimum value of order and processing charges referred to above will be indicated in the Client Opening Form and Special Terms.

# 3 PRICES

Prices, conditions of price changes, incoterm and payment terms shall be agreed upon between the parties.

# 4 TERMS OF PAYMENT

- **4.1** Payment terms and credit facilities will be agreed upon with each new purchaser and will be subject, from time to time, to change by the parties should the circumstances justify it.
- **4.2** Invoices are to be paid for on the date agreed upon between the parties when the account is opened and stipulated on each invoice.





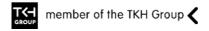


- **4.3** Invoices shall be issued when the complete list of products ordered is made available to the purchaser, and are to be paid at the registered office of CAE GROUPE. Each payment is proprietarily allocated to older invoices not yet paid.
- **4.4** In the case of payments by draft (*effet de commerce*), only their full and effective collection at the due date of payment shall be deemed as full payment under the GTC.
  - **4.5** In case of non-payment on due date, CAE GROUPE is entitled, by operation of law, to charge penalties, at a rate equals to the last rate applied by the European Central Bank to its most recent main refinancing operation, plus 10 percentage points and recovery fee equals to a lump sum as set, from time to time, by Article D. 441-5 of the French Commercial Code. The recovery fee might be increased above this amount, if it is evidenced that the recovery charges are above the lump sum set by the aforementioned Article D. 441-5.

Pursuant to Article L. 441-6 of the French Commercial Code and by way of derogation to Article 1231-5 of the French Civil Code, these penalty charges shall be payable, by operation of law, on the day after the due date indicated on the invoice, without the need for prior notice to be sent. CAE GROUPE will inform the purchaser that CAE GROUPE requires their payment by sending a debit note.

# 5 DELIVERIES

- **5.1** The delivery schedules referred to in the order confirmation issued by CAE GROUPE are provided for information purposes only. The legal binding date shall be case to case pre-agreed upon.
- 5.2 For export sales, in case of using the "Ex Works/Warehouse" or "FOB" incoterm, the products may be removed by the purchaser, or by a third party, designated by the purchaser. If the purchaser or the designated third party fails to take possession of the products ordered within the agreed period, CAE GROUPE may then either freely disposes of the products ordered or, in case if using "Ex Works/Warehouse" incoterms, CAE GROUPE can accept, without any further deposit costs, a delay in taking possession of the products provided that CAE GROUPE was informed in advance by the purchaser and for an agreed time period by CAE GROUPE.
- **5.3** If the merchandise is delivered in a damaged condition or incomplete, it will be up to the purchaser to express all appropriate reservations to CAE GROUPE.
- **5.4** No merchandise may be returned by the purchaser without express and prior written permission from CAE GROUPE obtained in particular by fax or email. If an inspection carried out by CAE GROUPE or its representative does indeed reveal defects or missing products, the purchaser may request replacement of the non-compliant merchandise or additional items to bring the quantities up to the appropriate level, both at CAE GROUPE's expense, without any entitlement to any form of compensation or to the cancellation of the order. The new products then sent will only cover missing or defective items.







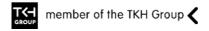
**5.5** Claims made by the purchaser, even under the conditions and by the procedures described in the present article, shall not exempt the purchaser from paying the relevant products.

# **6 GUARANTEE**

- **6.1** CAE GROUPE's product guarantees only cover latent defects. As CAE GROUPE's clients are professionals, the term 'latent defect' refers to a default in the manufacture of a product which make it unsuitable for its use and which cannot be detected prior to its use. A design flaw is not a latent defect and CAE GROUPE's clients are deemed to have received all the technical information relating to the products they order. Under this guarantee, CAE GROUPE shall only be required to replace defective products free of charge, without the client being entitled to receive damages on any grounds whatsoever.
- **6.2** The sold products are guaranteed in the conditions hereinabove for a duration of 24 months as from the date of the discovery of the latent defect by the purchaser. The CAE GROUPE guarantee expressly excludes:
  - defects and damage occurring on the delivered products as a result of abnormal storage and/or preservation by the client, its depository or representative, including in case of accident of any nature whatsoever;
  - any material or immaterial, unforeseeable direct or consequential damage :
  - suffered by the purchaser,
  - suffered by individuals or any property as a result of use the sold products,
  - resulting and/or wear resulting from an adaptation or assembly of said products.
- 6.3 For the client to be entitled to the benefice of the guarantee set out in this section 6, the purchaser shall comply with the 'After-sales processing procedure', a detailed description of which is available for consultation from the sales department; as a consequence, any purchaser encountering a manufacturing defect with a product shall, as soon as he detects the defect, notify CAE GROUPE sales department, who will specify the course of action to be taken; the purchaser shall not entitle to any guarantee if the purchaser has not complied with the procedure specified by CAE GROUPE's sales department; it is in particular stipulated that any purchaser who, without CAE GROUPE's prior express permission, carries out work by removing default product and installing replacement product shall entirely bear all expenses.
- **6.4** Any sums to be paid by CAE GROUPE, in relation with an indemnifiable damage under the GTC, shall not exceed the limits, on an overall basis, applicable for this damage as stipulated by the insurance contracts covering CAE GROUPE activities or shall be reduced on a pro rata basis for the part exceeding the aforementioned limits. The purchaser can require, prior to any order, communication of these insurance limits.

### **7** FORCE MAJEURE

The terms 'force majeure' or 'fortuitous event' shall cover events outside the control of the parties, which said parties cannot reasonably be expected to anticipate, to the extent that their occurring prevent the fulfilment







of the obligations. For the need of this Article 7, the following events are irrevocably deemed as "force majeure" or "fortuitous" event: fire thefts of all or part of the materiel, lock-out, strikes, lack of raw materials, lack of fuel or energy, interruption or delay in transport or telecommunications and postal services, work stoppage at suppliers, acts of sabotage, demonstrations .Under such circumstances, CAE GROUPE will notify the purchaser in writing, and more specifically by fax or email, within forty-eight (48) hours from the event, and the contract between CAE GROUPE and the client shall then, by operation of law, be suspended without any compensation, as from the date the event occurred. In this last case, it the event exceeds eight

(8) days, the purchaser shall be entitled to terminate the sale.

### 8 SPECIAL TERMS AND CONDITIONS

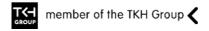
The GTC may be completed or amended by special terms and conditions. Such special terms and conditions are initially set out in the document drawn up at the first contact between CAE GROUPE and the purchaser within the document named 'Client Opening Form and Special Terms'.

The special terms and conditions and the GTC may be amended, at any time, by CAE GROUPE, provided CAE GROUPE informs the purchaser in writing, by post, by email or by fax.

### 9 JURISDICTION

- **9.1** For the execution of the GTC, the contracts of sale and consecutive documents, CAE GROUPE takes up residence at its registered office.
- 9.2 Each party to the sale irrevocably agree that any disputes relating to the GTC, or to the contracts of sale executed by CAE GROUPE, including different in relation with the payment of the price, shall be exclusively settled by the Commercial Court (tribunal de commerce) of Paris (France), whatever the location of the order, of the delivery, or of the payment and of method of payment, even in the case of proceedings against guarantor or multiple defendants, conflict of law rules. The use of bills of exchange creates neither a novation nor an exemption as regards this attribution of jurisdiction.
- **9.3** The attribution of jurisdiction is general and shall apply, in the case of main application, additional application, legal action on the merits of a case or procedure for interim relief (*référé*).
  - **9.4** Furthermore, in the case of breach of the GTC, a court case or any other action to obtain payment of debts owed to CAE GROUPE, the costs, taxes, fees borne or disbursed by CAE GROUPE, including for issuing summons, costs of court proceedings, as well as fees payable to lawyers and legal bailiffs, and all related costs, shall be borne by the defaulting purchaser, as well as the costs relating to, or arising from, any failure on the part of the purchaser to fulfil the conditions governing payment for, or delivery of, the order at issue.

## 10 WAIVERS





# CAE GROUPE GENERAL TERMS AND CONDITIONS OF SALE -



Should CAE GROUPE fail, at any time, to exercise any rights, options, claims or remedies under the GTC, any other subsequent acts, or by applicable law, shall not deem as a waiver of such right, option, claim or remedy.

Without prejudice of any other waiver expressly stipulated herein, the purchaser waive for the benefit of CAE GROUPE to the rights granted by the following French Civil Code provisions: Articles 1221 and 1222 (specific performance), 1223 (price reduction for breach of contract).

By way of derogation from Articles 1347 *et sqq*. of the French Civil Code, the purchaser shall not be entitled to set off all sums owed by CAE GROUPE to the purchaser by all sums the purchaser owes to CAE GROUPE.

# 11 APPLICABLE LAW

The GTC, as well as the sales to which they relate, shall be governed exclusively by **French law**, notwithstanding any provision to the contrary under international, European or national regulation or treaty which is not compulsory.

The purchaser\* Represented

by: Title:

Date:

\*Stamp the trade seal

**CAE GROUPE SAS** Represented

by: Title:

Date:

\*Stamp the trade seal

