

NORTHERN AVIONICS S.R.L.

Viale dell'Aviazione 65
20138 Milano Italy
VAT N° 10904230157

GENERAL TERMS AND CONDITIONS OF SALE

1. DEFINITIONS.

1.1. In these General Terms and Conditions of Sale, unless the context clearly requires otherwise, the following terms shall have the meaning hereafter set out:

- (a) **Buyer** means the Party purchasing Products and Services under these GTCS.
- (b) **Confidential Information** means any technical and/or commercial information, including but not limited to any Intellectual Property Rights and any documents, drawings, sketches or designs, ideas, techniques, materials, software code, samples or prototypes disclosed or supplied by a Party to the other Party, and which at the time of its disclosure or supply is identified as confidential or proprietary or which must clearly be deemed confidential or proprietary by its nature. The content of any Quotation or Order Acceptance shall be Confidential Information. Confidential Information disclosed orally or by other intangible means visually shall be identified as Confidential Information at the time of disclosure and shall be summarized and confirmed in writing as being Confidential Information within fifteen (15) days after first disclosure. Confidential Information shall include personal data.
- (c) **Deliverable** means, with respect to Services and/or Software, any specific delivery by Seller of information, data, materials or media.
- (d) **GTCS** means these GENERAL TERMS AND CONDITIONS OF SALE, applicable to all sales by Seller to Buyer.
- (e) **Intellectual Property Rights** means any patents, patent rights, trademarks, brand names, trade secrets, service marks, design rights (registered or un-registered), semiconductor topography rights, mask work rights, copyrights, applications for any of the foregoing and any other registered or unregistered similar rights conferred or protected by any applicable provision of law;
- (f) **Object Code** means computer-programming code in binary form, which is intended to be directly executable by a computer after suitable processing and linking but without the intervening steps of compilation of assembly.
- (g) **Order Acceptance** means a document expressing specific acceptance in writing, by Seller, of an Order issued by Buyer.
- (h) **Order** means a commitment by Buyer to purchase Products and/or Services expressed in the form of a purchase order or in an equivalent form.
- (i) **Party** means either Seller or Buyer, and **Parties** means both Seller and Buyer.
- (j) **Price** means the amounts due by Buyer to Seller in consideration for Seller's supply of Products and Services, as set out in Seller's Quotation; Prices may include non-recurring charges, reimbursement of expenses, licensing and other fees, royalties, etc., but are exclusive and net of V.A.T. and of any other taxes, duties, withholdings, charges, levies or fees.
- (k) **Product** means any good, product, device, apparatus, component, system, solution, service, activity, whether hardware or software or both, sold by Seller. When not otherwise specified, use of the term **Products** shall be deemed to include Software Products.
- (l) **Quotation** means any commercial quotation or offer for Products and Services issued by Seller to Buyer.
- (m) **Seller** means NORTHERN AVIONICS S.R.L., an Italian company having its registered office at via dell'Aviazione n. 65, 20138 Milano, Italy, V.A.T. Code IT10904230157.
- (n) **Service** means any service, work or activity described in a Quotation or other contractual document, that Seller agrees to provide to Buyer.

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- (o) **Software** means a computer program in the machine readable form (object code), whether supplied by Seller alone or in conjunction with hardware products or with services and including firmware. Unless expressly and specifically agreed in exceptional cases, human-readable form (source code) of software shall not be delivered by Seller and is excluded from any sale or license.
- (p) **Source Code** means computer-programming code in a form other than Object Code form, and related programmer comments and documentation, which may be printed out or displayed in human readable form among other forms.

2. SCOPE AND PURPOSE.

- 2.1. These GTCS shall apply to any and all sales of Products and/or Services by Seller to Buyer.
- 2.2. These GTCS shall be deemed as incorporated in any and all Quotations, Orders, Order Acceptances and similar contractual documents issued by either Party for the purchase and sale of Products and Services, becoming an integral part thereof.
- 2.3. These GTCS shall constitute the sole and entire terms and conditions applicable to any and all Quotations, Orders, Order Acceptances and to the sale by Seller to Buyer of any Products and/or Services. Any differing or additional term, condition or provision included in any document issued by Buyer, either before or after issuance of any document by Seller, shall be deemed wholly rejected by Seller and entirely replaced and superseded by these GTCS. No Quotation, Order Acceptance, nor any delivery by Seller shall be deemed as acceptance by Seller of any differing term, condition or contractual provision. Any deviation from these GTCS must be specifically discussed and expressly agreed in writing by Seller in advance in a specific written instrument. Issuance of an Order by Buyer constitutes full and unconditional acceptance of these GTCS.
- 2.4. In case of conflicts in the terms of contractual documents issued by the Parties, the following descending order of precedence shall apply: (i) any specific written agreement executed by both Parties for single sales; (ii) Seller's Order Acceptance (iii) Seller's Quotation; (iv) any other document issued by Seller; (v) Buyer's Order; (vi) any other document issued by Buyer.

3. ORDERING PROCEDURE.

- 3.1. Seller's Quotations are valid for the period stated in the Quotation or, when no period is stated, for thirty (30) days from the date of the Quotation. Notwithstanding the above, any Quotation may be withdrawn or revoked by Seller at any time.
- 3.2. Orders shall always be placed by Buyer in writing, pursuant to a Quotation by Seller and in compliance with said Quotation.
- 3.3. Any Order placed by Buyer shall indicate at least: (a) the Seller's Quotation that the Order refers to; (b) reference of the Product or Service ordered and to its specifications; (c) quantity of such Product or scope of Service; (d) Price of such Product or Service per unit and total, in accordance with Seller's Quotation; (e) currency of billing and payment, as per the relevant Quotation; (f) requested delivery date, subject to the terms of the Quotation and to Order Acceptance by Seller; and (g) requested delivery instructions, subject to Order Acceptance by Seller.
- 3.4. Unless otherwise expressly agreed in writing, a requested delivery date shall never be less than the minimum lead-time specified by Seller.
- 3.5. No Order by Buyer shall be binding upon Seller unless and until Seller has provided an Order Acceptance. Seller shall make commercially reasonable efforts to accept or reject an Order within two (2) calendar weeks from its receipt. Only delivery dates and delivery instructions specified in Seller's Order Acceptance shall be deemed accepted by Seller. Only when the circumstances so justify, Seller may accept an Order by starting deliveries to Buyer in accordance with said Order.

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4. QUANTITIES AND PRICING.

- 4.1.** Buyer shall purchase Products and Services in the quantities and at the Prices specified in Seller's Quotation and/or Seller's Order Acceptance. Prices in any Quotation are in EURO, unless otherwise expressly specified in writing, and are based on delivery Ex Works (EXW INCOTERMS 2010) at Seller's manufacturing premises. Listed Prices do not include and are net of V.A.T. and of any other taxes, duties, levies or fees, withholdings or other similar charges, now or hereafter enacted, applicable to the Products and Services, excluding only taxes based upon Seller's income. Taxes, duties, levies or fees, or similar charges will be added by Seller to the Price where Seller is required by any taxing authority to pay or collect them and will be paid by Buyer together with the Price.
- 4.2.** Prices are subject to change at any time after expiration of any Quotation and until Order Acceptance by Seller. Prices for an accepted Order shall remain firm until the date of delivery specified in Seller's Order Acceptance. In the event the date of delivery is rescheduled at Buyer's request, Seller shall have the right to adjust the prices accordingly.
- 4.3.** In the event that the official EUR/USD exchange rate published by Banca d'Italia (Central Bank of Italy) on the date of delivery, is more than ten percent (10%) lower than the official EUR/USD exchange rate published by Banca d'Italia (Central Bank of Italy) on the date of Order Acceptance by Seller, Seller shall have the right to adjust the prices accordingly.

5. DELIVERY.

- 5.1.** Products (and Deliverables, when applicable) shall be delivered Ex Works (EXW INCOTERMS 2010) at Seller's premises in Milano, Linate Airport. Seller may, at its sole discretion, accept other INCOTERMS 2010 delivery terms, provided that Buyer pays for all additional costs, including without limitation transportation, insurance, duties, warehousing and financial costs.
- 5.2.** Scheduled delivery dates will be confirmed by Seller in the Order Acceptance (or in a later written notice by Seller, if the actual delivery date is not available at the date of Order Acceptance). Delivery shall be deemed on-time and Seller shall not be deemed in breach if the delivery takes place on the confirmed delivery date or within fifteen (15) working days before or after the confirmed delivery date. Seller shall not be liable for any late or missed delivery if Buyer has failed to provide, sufficiently in advance with respect to the scheduled delivery date, all delivery information, documents, letters of credit or other payment guarantees as requested by Seller.
- 5.3.** At the time of each delivery of Products or Deliverables, Buyer shall immediately notify to the carrier and to Seller any apparent external damage, shortage or non-conformance upon delivery. In addition, within ten (10) working days from each delivery, Buyer shall (i) check the quantities received and notify Seller of any shortages, in which case Buyer's sole remedy shall be to have the missing quantities delivered as soon as reasonably practicable; (ii) inspect the Products and Deliverables and their conformance to the relevant specifications and acceptance criteria and, if the inspection reveals any non-conformances, immediately notify Seller, providing a detailed description of the non-conformances found. In the absence of a written notice of Buyer within such ten (10) working days, the Products, the Deliverables and the delivered quantities shall be deemed accepted by Buyer.
- 5.4.** Title in the Products (except for Software, for which title shall remain with Seller, subject to the license granted to Buyer as set forth in Article 9 below) shall pass to Buyer upon payment of the purchase Price in respect thereof in full. Risks and rewards (including risk of loss) in the Products shall pass to Buyer upon delivery by Seller in accordance with the applicable INCOTERMS.
- 5.5.** If Buyer fails to take delivery as per Sections 5.1 and 5.2 above, in addition to any other remedy available to Buyer in contract and at law, (i) all risks including risks of loss shall be transferred upon Buyer on the first attempt of delivery by Seller, and (ii) all subsequent costs and expenses of shipping, storage, etc., shall be borne exclusively by Buyer.
- 5.6.** The Parties understand and acknowledge that damages arising from late deliveries are extremely difficult to determine and to prove and that, therefore, liquidated damages are a suitable remedy for delays in delivery by

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Seller. In the event of inexcusable delays in delivery by Seller and subject to the provisions of Sections 5.2 and 5.5 and of Article 11, Seller shall be liable to pay Buyer, after a grace period of four (4) weeks from the original delivery date confirmed in writing by Seller, liquidated damages in the amount of one percent (1%) of the Price of the late delivered Products per each full week of delay, up to a maximum of ten percent (10%). The Parties acknowledge and agree that said amount constitutes a genuine pre-estimate of the foreseeable damages arising from the delay and that payment of liquidated in accordance with this Section 5.6 constitutes Seller's sole liability and Buyer's exclusive remedy for late deliveries.

- 5.7. Delivery of Software Products and of Service Deliverables, if not made in connection with delivery of Products, can be made either by delivery of suitable media containing the relevant Software Product or Deliverable, or by electronic transmission, as Seller deems appropriate. All Software will be delivered in Object Code format only.
- 5.8. Except as otherwise expressly provided for in the relevant Quotation or Order Acceptance or in a separate agreement, Seller assumes no obligation to deliver to Buyer any updates, upgrades or new releases of any Software, nor to provide Software maintenance or support.
- 5.9. Services will be performed by Seller in accordance with service levels and schedules set forth in Seller's Quotation or Order Acceptance. With respect to development Services or customized Products, delivery dates shall be deemed as best estimates only; adjustments to the time schedule shall be agreed by the Parties during the performance of the Services or the customized Products, taking into account the development progress, the actual constraints (of a technical or other nature), etc.. Seller shall not be liable for delays caused by such adjustments in the time schedule, except for delays which are solely caused by Seller' willful acting o gross negligence. In any case, Seller shall not be liable for any delay in performance of the Services to the extent such delay is caused by (i) Buyer's delay in providing Seller with Buyer's specifications, data, documentation, material and information when so required; or (ii) Buyer's delay in providing acceptance of intermediate milestones or Deliverables, when such acceptance is requested in order to continue the performance of the Services.

6. CANCELLATION, RESCHEDULING AND CHANGES.

- 6.1. Buyer's Orders cannot be cancelled after Order Acceptance by Seller.
- 6.2. Buyer can request partial rescheduling of deliveries only with Seller's prior written approval and provided that Buyer bears all costs and expenses that may be associated with rescheduling.
- 6.3. Subject to the above, in the event that Seller, in its sole discretion, accepts rescheduling with requested delivery dates Seller reserves also the right to adjust or alter the Prices.
- 6.4. Any change to a confirmed Order, including changes to nature and quantities of Products or to the scope of Services, shall require the prior written agreement of both Parties, through a Quotation by Seller and a change Order by Buyer.

7. PAYMENT, CREDIT GUARANTEES, NO OFFSET.

- 7.1. Payment shall be due within the parts delivery unless otherwise agreed in writing by the parties. Invoices shall be issued upon delivery according to agreed INCOTERMS. If deliveries are made in instalments, each instalment shall be separately invoiced and paid for when due. No discount is granted for early payment. In addition to any other remedy available to Seller in contract and at law, interest will automatically accrue on all late payments, at the rate set forth in EU Directive 2000/35/CE and Italian legislative decree 231/2002, from the due date until payment in full. All banking charges connected with payment shall be borne by Buyer.
- 7.2. Seller reserves the right to request an irrevocable letter of credit or other suitable guarantee on payment, satisfactory to Seller, to be opened in favor of Seller in advance.
- 7.3. Buyer shall not offset, withhold or reduce any payment(s) due by it to Seller, for any reason. Buyer hereby waives any and all rights to offset existing and future claims against any payments due for Products sold and agrees to pay the amounts due regardless of any claimed offset which may be asserted by Buyer.

NORTHERN AVIONICS S.R.L.

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- 7.4. If Seller accepts payments in a currency other than EURO or if Seller incurs exchange rate losses due to Buyer's failure to pay when payments are due, Seller shall be entitled to equivalent compensation from Buyer for the entire amount of such losses, without prejudice to any other rights and remedies available to Seller in contract, at law, in equity or otherwise.
- 7.5. In the event of any default by Buyer in the payment of any Prices or other amounts due to Seller, or any other default by Buyer, Seller, in addition to any other remedy available to Seller in contract and at law, shall have the right to refuse delivery of any Products, under the same or any other Order, until all due payments are made in full by Buyer.
- 7.6. Until payment has been made by Buyer, Seller has the right to assign any credit to a third party providing factoring or similar services.

8. LIMITED WARRANTIES AND DISCLAIMER.

8.1. Seller warrants that:

- (a) at the time of delivery by Seller, unless otherwise agreed in writing by the parties, for a period of twelve (12) months thereafter, hardware Products shall be substantially conforming to Seller's specifications (or such other specifications that may have been agreed in writing by the Parties) and shall be free from substantial defects in materials and workmanship;
- (b) at the time of delivery by Seller and for a period of six (6) months thereafter, Software Products shall be substantially conforming to Seller's specifications (or such other specifications that may have been agreed in writing by the Parties) and shall be free from blocking bugs preventing their use;
- (c) the Services shall be performed in a professional and workmanlike manner in accordance with the then current generally accepted industry standards and, at the time of delivery by Seller and for a period of six (6) months thereafter, Service Deliverables shall be substantially conforming to agreed specifications and scope of work.

8.2. The warranties above do not apply to consumable items such as (but not limited to) light bulbs, batteries, cables and accessories. Moreover, the warranties above will not apply to defects or non-conformances arising from: (i) compliance with designs, specifications, requirements or instructions provided by Buyer; (ii) normal wear and tear arising from age and ordinary use; (iii) improper storage, handling, transportation, installation, testing or conditions of use, or lack of ordinary maintenance; (iv) repair other than by Seller (v) accident or physical, electrical, chemical, environmental or other stress, disturbance, shock or hazard; (vi) misuse or use of Products and Deliverables not in accordance with Seller's specifications and instructions; (vii) modifications to Products or Deliverables made other than by Seller; (viii) use of Products or Deliverables in combination with other products, software, systems, materials, etc., not supplied by Seller or expressly approved by Seller in writing for use with the Products and Services; (ix) infection by virus, malware, worm or similar malicious code not introduced by Seller; or (x) any other cause beyond Seller's control.

8.3. Any and all prototypes, experimental Products, beta testing Products and samples of newly developed Products, alpha or beta versions or evaluation releases of any Software, partial or evaluation Deliverables, etc., shall be delivered "AS IS", WITHOUT WARRANTIES OF ANY KIND.

8.4. As a remedy for claims by Buyer under this Article 8, Seller will, as soon as reasonably practicable:

- (a) repair or replace (at Seller's exclusive option) any defective hardware Products or Deliverables or, if in Seller's reasonable judgment repair and replacement are not technically or commercially feasible, refund or credit the Price paid for the defective Products or Deliverables returned to Seller;
- (b) release bug fixes, patches or updates to correct errors in Software Products;
- (c) correct or re-perform defective Services or, if in Seller's reasonable judgment correction and re-performance are not technically or commercially feasible, refund the prorated portion of the Price paid by

NORTHERN AVIONICS S.R.L.

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Buyer for the defective Services or Deliverables.

- 8.5. With respect to Products, components, devices, Software Products, etc. manufactured and/or supplied by third party vendors to Seller and sold by Seller to Buyer, Seller's warranty obligation shall be exclusively to pass on to Buyer the same warranty remedies offered by the relevant third party vendor and Seller expressly disclaims any further warranty or liability to the fullest extent permissible by law.
- 8.6. In order to obtain warranty remedies, Buyer must (i) immediately notify Seller in writing of any defect or non-conformance found, providing all the details and information that may be reasonably requested by Seller, and (ii) return any defective hardware Product and Deliverable in compliance with Seller's instructions.
- 8.7. Any repair, replacement or re-performance of defective Products, Services or Deliverables shall not extend the original warranty term, which shall expire after the period set forth in Section 8.1 above from the first delivery of a Product, Service or Deliverable and not from delivery of the replacement or repaired item.
- 8.8. In the event that any Product or Deliverable returned by Buyer to Seller results to be non-defective or not subject to warranty for one of the exceptions set out above, Buyer shall bear the costs of handling, testing, processing and shipment of said returned Products and Deliverables.
- 8.9. The express warranty granted above shall extend directly to Buyer and not to Buyer's customers, agents or representatives. Except for warranty of title, THE EXPRESS WARRANTY GRANTED ABOVE IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, FUNCTIONALITY, MERCHANTABILITY, OR NON-INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS. ALL OTHER WARRANTIES ARE HEREBY SPECIFICALLY DISCLAIMED BY SELLER AND EXCLUDED TO THE FULLEST EXTENT PERMITTED BY THE APPLICABLE LAW. Seller does not warrant that use of Software will be uninterrupted or error-free.
- 8.10. Subject to Article 11 below, the foregoing states the entire liability of Seller in connection with defective or nonconforming Products supplied hereunder.

9. INTELLECTUAL PROPERTY RIGHTS AND LICENSES.

- 9.1. All Intellectual Property Rights covering Products, Software, Service Deliverables – including without limitation any and all design, plans, sketches, specification, documentation, data and other material delivered by Seller – and all ownership rights in and to such Intellectual Property Rights, shall remain solely and exclusively with Seller or its suppliers or licensors, whether or not said Intellectual Property are developed specifically for Buyer. Except as provided here below for Software, no rights or licenses are granted, or implied by estoppels or otherwise, under any Intellectual Property Rights of Seller and its licensors and suppliers, except for the limited, non-exclusive, non-transferable license to use and resell Products and to use and practice Service Deliverables, subject to the provisions set forth in these GTCS and to Buyer's full compliance with them, including full and timely payment by Buyer of the agreed Price.
- 9.2. With respect to Software Products, Seller grants Buyer a limited, non-exclusive, non-transferable and non-sublicenseable license to install, run and use the Software, on approved devices, as specified in the relevant Quotation or other document issued by Seller. Seller will deliver any Software in Object Code format only. Buyer shall not have the right to any Source Code at any time and under any circumstances. Any and all Source Code that might be delivered or disclosed to Buyer, including any compilation or derivative thereof, is the proprietary information of Seller and/or is confidential in nature. Buyer, acting on its own or through a third party, shall not: (a) modify, adapt, port, alter, translate, or create derivative works from, the Software; (b) assign, sublicense, lease, rent, loan, transfer, disclose, or otherwise make available the Software to third parties; (c) merge or incorporate the Software with or into any other software; or (d) reverse assemble, decompile, disassemble, or otherwise attempt to derive the Source Code for the Software. Buyer shall reproduce, without any amendments or changes thereto, any proprietary rights legends of Seller or its third party suppliers or licensors in any Software or documentation provided by Seller.

NORTHERN AVIONICS S.R.L.

Viale dell'Aviazione 65
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VAT N° 10904230157

9.3. License to Seller's Software cannot be resold or transferred to any third party without Seller's prior written authorization and any attempt to do so shall be null and void. If Seller's Software is installed or embedded into Seller's Products that Buyer is authorized to resell, the relevant Software license can be transferred only in connection with the sale of said Products.

10. INTELLECTUAL PROPERTY RIGHTS INDEMNIFICATION.

10.1. Seller, at its expense, shall defend and hold Buyer harmless from any and all costs, damages or losses (including reasonable attorney fees) arising directly from a claim that any Product or Service sold by Seller to Buyer or any Software licensed by Seller to Buyer directly infringes a claimant's valid patent, copyright, trademark, or trade secret.

10.2. Seller shall have no obligation or liability to Buyer under this Article 10 if Buyer fails to (i) promptly notify Seller in writing of any such claim; (ii) give Seller the sole right to control and direct the investigation, preparation, defense and settlement of such claim, including the selection of counsel; and (iii) provide Seller with full reasonable assistance and cooperation by Buyer in such settlement and defense.

10.3. In addition, Seller shall have no obligation or liability to Buyer under this Article 10 if and to the extent the claim arises from or is based upon: (i) compliance with designs, specifications, requirements or instructions provided by Buyer; (ii) modifications to the Product or Service or Software made other than by Seller, if the claim of infringement would have been avoided by use of the unmodified Product or Service or Software; (iii) combination of the Product or Service or Software with any other product, service, software or technology; (iv) unauthorized use or distribution of the Product or Service or Software or use beyond the specifications of the Product or Service or Software; (v) Buyer's use, sale, offer for sale, importation or other disposition or promotion of the Product or Service or Software after Seller's notice to Buyer that Buyer should cease any such activity, provided such notice shall only be given if the Product or Service or Software is, or in Seller's opinion is likely to become, the subject of such a claim of infringement; (vi) experimental Products, beta testing Products, samples of newly developed Products, evaluation releases or alpha or beta versions of any Software, or development materials and Deliverables intended for internal use or evaluation purposes only; or (vii) infringement of any third party's intellectual property rights with respect to which Seller has informed Buyer or has published a statement that a separate license has to be obtained and/or that no implied license is granted by Seller to Buyer. Buyer shall indemnify and hold Seller harmless from and against any damages, losses and costs arising from or connected with such claims of infringement and shall reimburse all costs incurred by Seller in defending any claim, demand, suit or proceeding for such infringement, provided Seller gives Buyer prompt notice in writing of any such suit or proceeding for infringement.

10.4. If any Product is, or in Seller's opinion is likely to become, the subject of a claim of infringement as referred to under this Article 10, Seller shall have the right, without obligation and at its sole option, to: (i) procure for Buyer the right to continue to use or sell the Product; (ii) replace or modify the Product in such a way as to make the modified Product non-infringing; or (iii) repurchase unused Products in Buyer's possession which are subject to the claimant's continuing claim of infringement.

10.5. Subject to Article 11 below, the foregoing states Seller's entire liability and obligation to Buyer and Buyer's sole and exclusive remedy with respect to any actual or alleged infringement of any intellectual property rights of any kind.

11. LIMITATION OF LIABILITIES.

11.1. IN NO EVENT AND UNDER NO CIRCUMSTANCE SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY LUCRUM CESSANS NOR FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL, CONSEQUENTIAL OR UNFORESEEABLE DAMAGES (INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OF GOODWILL, PENALTIES, COSTS OF RECALL AND REPLACEMENT OF BUYER'S PRODUCTS) WHETHER OR NOT SUCH DAMAGES ARE BASED ON TORT, WARRANTY, CONTRACT OR ANY OTHER LEGAL THEORY – EVEN IF SELLER HAS BEEN ADVISED, OR IS AWARE, OF THE POSSIBILITY OF SUCH DAMAGES.

11.2. To the extent allowed by applicable laws, Seller's aggregate liability towards Buyer shall not exceed the lesser of (i) the aggregate amounts actually received by Seller from the Buyer in the twelve (12) months immediately

NORTHERN AVIONICS S.R.L.

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VAT N° 10904230157

preceding the event giving rise to the liability for sale of the relevant Products and Services and (ii) fifty thousand EUROS (€ 50,000.-).

- 11.3.** Any claim for damages must be brought by Buyer within ninety (90) days from the date of the event giving rise to any such claim, and any legal proceeding relative to any such claim must be filed within one (1) year from the date of the claim.

12. EXPORT CONTROL AND COMPLIANCE WITH LAW AND REGULATIONS.

- 12.1.** If the supply of Products or Services is subject to the granting of an export or import license by a government and/or any governmental authority under any applicable law or regulation, or otherwise restricted or prohibited due to export or import control laws or regulations, Seller may suspend its obligations hereunder and Buyer's rights regarding such delivery until such license is granted or for the duration of such restriction and/or prohibition, respectively, and Seller may even terminate any contractual relationship, without incurring any liability towards Buyer. Furthermore, if an end-user statement is required, Seller shall inform Buyer immediately thereof and Buyer shall provide Seller with such document upon Seller's first written request; if an import license is required, Buyer shall inform Seller immediately thereof and Buyer shall provide Seller with such document as soon as it is available.
- 12.2.** Buyer understands and agrees that Products and Services might be subject to U.S. Export Administration Regulations (EAR) Regulations and might require an application for a government export license to be made by Seller or Buyer, as the case may be. In such cases Buyer will provide cooperate with and assist Seller in securing any such license and in ensuring compliance with the applicable requirements and Regulations. To such end, the following information must be clearly identifiable in Buyer's Order: (i) «End User» (Customer and country of ultimate destination); (ii) «End Use» (Program or end product, such as Aircraft on which the product will be installed or used); (iii) «Intermediate Consignee» (name & address, if any); (iv) «Ship to» address. The lack of any such information could prevent Seller from processing the Order. Seller shall in no event be liable for any government's delay, refusal, withdrawal of any such license or authorization.
- 12.3.** By issuing Orders and/or accepting Products and Services, Buyer agrees that it will not deal with the Products, Deliverables and/or documentation related thereto in violation of any applicable export or import control laws and regulations. Buyer shall hold Seller harmless from and against any claims, suits, charges, damages, losses and expenses, including costs for Buyer's defense, arising from Seller's breach of this undertaking.

13. CONFIDENTIALITY.

- 13.1.** Buyer acknowledges that Seller may and will provide Buyer with Confidential Information of Seller.
- 13.2.** Buyer, for a period of five (5) years from receipt of any Confidential Information of Seller s, (i) shall use Seller's Confidential Information solely in furtherance of the purposes of the sale and purchase, (ii) shall treat and protect Seller's Confidential Information with the same care that it uses to protect its own Confidential Information and, in any event, with no less than a reasonable degree of care, and (iii) shall not disclose Seller's Confidential
- 13.3.** Information to any third party and shall limit dissemination of said Confidential information within its own organization to a strict need-to-know basis.
- 13.4.** If the Parties have entered into a specific agreement concerning disclosure and use of Confidential Information, the provisions of said agreement shall continue to apply.

14. BREACH AND TERMINATION.

- 14.1.** Without prejudice to any rights or remedies Seller may have in contract, at law or otherwise, Seller may, by written notice to Buyer, terminate with immediate effect any Quotation or Order Acceptance, or any part thereof, without any liability whatsoever, if:
- (a) Buyer fails to make any payment when due;

NORTHERN AVIONICS S.R.L.

Viale dell'Aviazione 65
20138 Milano Italy
VAT N° 10904230157

- (b) Buyer fails to accept conforming Products or Services supplied hereunder;
- (c) Buyer breaches or fails to comply with any other material provision of these GTCS and does not cure such breach or default within thirty (30) days from Seller's written notice of said breach or default (or such different time period that may be reasonably requested by Seller taking into account the specific circumstances);
- (d) Buyer ceases or seriously threatens to cease to conduct its business;
- (e) a voluntary or involuntary petition in bankruptcy or winding up is filed against Buyer, any proceedings in insolvency or bankruptcy (including reorganization) are instituted against Buyer, a trustee or receiver is appointed over Buyer, or any assignment is made for the benefit of creditors of Buyer.

14.2. Upon occurrence of any of the events referred to above under (a) through (d), all payments to be made by Buyer shall become immediately due and payable.

14.3. The following Articles and Sections of these GTCS shall survive any termination: 8, 9, 10, 11, 12, 13, 14.3 and

15. GOVERNING LAW AND SETTLEMENT OF DISPUTES.

15.1. All Quotations, Orders, Orders Acceptances, as well as these GTCS and all sales made hereunder are governed by and construed in accordance with the laws of the Republic of Italy, with exclusion of their choice-of-law provisions. The provisions of the U.N. Vienna Convention on the International Sale of Goods shall not apply to any delivery or supply to be made under these GTCS.

15.2. Any dispute, controversy or claim, included those of not contractual nature, arising out of, or in relation to, these GTCS and any Quotation, Order or Order Acceptance including the validity, invalidity, interpretation, performance, breach, or termination thereof, shall be resolved by arbitration under the Rules of the Chamber of Arbitration of Milan by a sole arbitrator appointed in accordance with said Rules, which are deemed to be incorporated by reference into this Section. The seat of the arbitration shall be Milano, Italy. The language of the arbitration shall be Italian, unless both Parties and the appointed arbitrator agree otherwise.

15.3. Notwithstanding the above, Seller may file an action for non-payment by Buyer in any court of competent jurisdiction.

16. MISCELLANEA.

16.1. Force Majeure. Seller shall not be liable for any failure or delay in performance if such failure or delay is caused by a Force Majeure event. For the purposes hereof, «Force Majeure» shall mean and include any circumstances or occurrences beyond Seller's reasonable control - whether or not foreseeable at the time of the Quotation or Order Acceptance - in consequence of which Seller cannot be reasonably expected to execute its obligations. Such circumstances or occurrences include but are not restricted to: acts of God, war, civil war, insurrections, strikes, fires, floods, earthquakes, labor disputes, epidemics, governmental regulations and/or similar acts, freight embargoes, non-availability of any permits, licenses and/or authorizations required, unavailability or shortage of raw materials or components or of suppliers' manufacturing capacity, etc.. In the event that the Force Majeure extends for a period of six (6) consecutive months (or in the event that the delay is reasonably expected by Seller to extend for a period of six (6) consecutive months), Seller and Buyer shall be entitled to cancel all or any part of the on-going Orders without any liability

16.2. Notices. All notices or communications to be given under these GTCS shall be in writing and shall be deemed delivered upon hand delivery, confirmed facsimile communication or electronic mail (provided that the receipt shows a correct facsimile number or e-mail address), or on the date shown on receipt acknowledgement if sent by certified or registered mail or by courier.

16.3. Relationship of the Parties. The Parties hereto intend to establish a business-to-business relationship of buyer and seller and as such are independent contractors with neither party having authority as an agent or legal representative of the other to create any obligation, express or implied, on behalf of the other. Subject to

NORTHERN AVIONICS S.R.L.

Viale dell'Aviazione 65
20138 Milano Italy
VAT N° 10904230157

compliance with the confidentiality provisions herein, nothing in these GTCS shall restrict either Party's right to enter into similar transactions with other companies, nor Seller' right to offer and sell Products and Services to other customers.

- 16.4. Assignment.** Buyer shall not, whether directly, indirectly or by operation of law, assign nor delegate any rights or obligations under any Quotations, Orders and Order Acceptances without the prior written consent of Seller. Any unauthorized attempt to do so shall be null and void and shall constitute a material breach of contract by Buyer. All of Buyer's obligations shall become immediately due upon any change of control affecting Buyer. Seller may assign any credit as per Section 7.6.
- 16.5. Subcontracting.** Buyer acknowledges and accepts that Seller may subcontract, in whole or in part, the manufacturing of Products and the performance of Services to third party subcontractors of its choice.
- 16.6. Severability.** In the event that any provision(s) of these GTCS or any Quotation or Order Acceptance shall be held invalid or unenforceable by a court of competent jurisdiction or by any future legislative or administrative action, such holding or action shall not negate the validity or enforceability of any other provisions hereof.
- 16.7. Non-waiver.** A failure or delay by Seller in exercising any rights or enforcing any Buyer's obligation under these GTCS or any other applicable contractual provision shall not constitute a waiver thereof. A waiver in exercising any right or remedy shall not preclude any other or future exercise thereof or the exercise of any other right or remedy arising from any Quotation or Order Acceptance or by any related document or by law, nor shall be a waiver of any subsequent default.
- 16.8. Publicity and press releases.** Subject to the confidentiality provisions set out herein, Buyer expressly consents that Seller may quote Buyer in Seller's company presentations, materials or websites. Any press release concerning the contractual relationship of the Parties and/or the Products and Services to be supplied by Seller shall be mutually agreed upon by the Parties in advance.
- 16.9. Modifications and changes.** Seller reserves the right to make any amendments, modifications or changes to these GTCS at any time.

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For full and unconditional acceptance of all the General Terms and Conditions set forth above.

Buyer – Date and authorized signature:

In accordance with articles 1341 and 1342 of the Italian civil code, Buyer expressly acknowledges, understands and consents to the following Articles and Sections of these GTCS: 2.4 (order of precedence of contractual documents); 4.3 (price adjustment for currency exchange rate variation); 5.3 (inspection by Buyer); 5.6 (liquidated damages); 6 (cancellation, rescheduling and changes); 7 (payment, credit guarantees, no offset); 8 (limited warranties); 10 (Intellectual Property Rights indemnification); 11 (limitation of liabilities); 14 (breach and termination); 15 (governing law and settlement of disputes).

Buyer – Date and authorized signature:
