

### **L3 Commercial Training Solutions Standard Conditions of Sale ("Agreement")**

By agreeing to purchase these selected Goods, Services or other items (collectively the "Products") the Buyer agrees and confirms its acceptance of these Conditions of Sale and this Agreement shall govern the terms of said purchase to the exclusion of any other terms and conditions, standard or otherwise, upon which the Buyer accepts or purports to accept the quotation including any terms and conditions contained on the applicable Purchase Order.

#### **It Is Hereby Agreed as follows:-**

##### **1. Interpretation**

- 1.1. "Goods" means the goods detailed in the applicable proposal as referenced in the Buyer's order including but not limited flight training devices, hardware only sales, associated software, repairs and spares.
- 1.2. "Services" means the services detailed in the applicable proposal including but not limited to technical query resolution and the delivery of upgrades to an in-service flight training device and/or the manufacture, delivery and installation of new flight training devices, as referenced in the Buyer's order.
- 1.3. "Products" means collectively the Goods, Services and any other items which L3 CTS offers to the Buyer on the terms contained herein.
- 1.4. To the extent that L3 CTS provides a proposal referencing this Agreement said proposal shall take precedence in the event of an inconsistency between this Agreement and the terms of the proposal.
- 1.5. In this Agreement words importing the singular only shall also include the plural and vice versa and, where the context requires, words importing persons shall include firms and corporations.
- 1.6. The use of the term L3 CTS shall be interpreted to include L3 CTS employees and contracted personnel (including sub-contractors).

##### **2. Orders**

- 2.1. All orders shall be subject to acceptance and confirmation of delivery schedule by L3 CTS.
- 2.2. L3 CTS reserves the right to charge cancellation fees on any order which following acceptance pursuant to 2.1 is cancelled by the Buyer.
- 2.3. The commencement date for the provision of Services shall be the date of receipt of the initial payment in cleared funds and not the date that the order is accepted pursuant to clause 2.1.
- 2.4. Buyer may request changes to the order within the general scope of work. L3 CTS shall notify the Buyer of any adjustment to any dependencies impacted by the requested change and shall not be obligated to implement any requested changes until the Buyer provides written confirmation of its acceptance of said adjustment.

##### **3. Payment and Price**

- 3.1. Unless otherwise stated payments shall be due 15 days from receipt of the relevant invoices by electronic transfer in the invoiced currency and shall be free of any deductions, set off or discounts for early payment.
- 3.2. Invoices shall be issued either on achievement of the relevant Service milestones or on dispatch of the Goods.
- 3.3. All prices are unless otherwise stated expressed exclusive of VAT, which shall, if applicable be invoiced in addition and shall be payable by the Buyer.

- 3.4. If the Buyer fails to make payment on the due date, then, without prejudice to any other right or remedy available to L3 CTS, L3 CTS reserves the right to:
  - 3.4.1. withhold or suspend delivery of the Products;
  - 3.4.2. charge the Buyer interest on the amount unpaid, at a rate of 8% per annum above Barclays Bank base rate, until payment is made in full.

##### **4. Delivery of Goods**

- 4.1. Unless otherwise stated Goods shall be delivered FCA (L3 CTS).
- 4.2. L3 CTS shall pack and mark the Goods in accordance with industry standard practices given the nature of the Goods. In the event that the Buyer requests unique or special packaging and/or marking such request shall be considered a change to the Order in accordance with clause 2.4.
- 4.3. Quoted dispatch or delivery date is L3 CTS' best estimate of the Goods availability date and L3 CTS shall in no event be in default for any failure to deliver the Goods on the stated delivery date.
- 4.4. L3 CTS reserves the right to deliver the Goods early without penalty or incurring any additional charges.

##### **5. Acceptance**

- 5.1. Buyer shall inspect the Goods immediately on receipt and shall be deemed accepted fourteen (14) days from dispatch.
- 5.2. L3 CTS shall prior to the commencement of the Services, provide the Buyer with:
  - 5.2.1. a schedule of approved baseline checks for in-service equipment; and/or
  - 5.2.2. approved Acceptance Test Manual applicable to the Services.
- 5.3. In the event that the baseline checks reveal a fault or deficiency in-service equipment to be updated or upgraded then the Buyer shall be responsible for correcting such fault or deficiency at its own cost. In the event that such fault of deficiency means that L3 CTS is unable to perform the Services in accordance with the agreed schedule the Parties shall mutually agree a change to the Order in accordance with clause 2.4.
- 5.4. Upon completion of Services the Buyer shall complete the acceptance testing of the Services which shall be deemed accepted for the purposes of Service milestones two (2) days after the scheduled completion of acceptance testing.

##### **6. BFE, Aircraft Data & Parts**

- 6.1. Buyer Furnished Equipment (BFE), shall be delivered at no cost to L3 CTS at the times and places agreed by the Parties.
- 6.2. Unless expressly stated the Buyer shall be responsible for the purchase of all aircraft parts and OEM data license fees ("Parts and Data") required to support the Product and such Parts and Data shall be included as BFE.



- 6.3. The Buyer shall ensure that all necessary agreements, authorisations and / or licences which may be required by the OEM, including but not limited to the relevant aircraft manufacturer, to support the supply, delivery and use of the Product by L3 CTS and the Buyer, have been entered into in a timely manner following acceptance of the Seller's proposal.
- 6.4. For the avoidance of doubt L3 CTS will not be liable for any delay caused as a result of the Buyer failing to comply with the obligations contained in clause 6.3.
7. **Access to Buyer's Premises and Equipment**
- 7.1. The Buyer shall provide timely access to any premises, equipment, staff and/or facilities that may reasonably be required to support delivery of the Services by L3 CTS.
- 7.2. If the Buyer fails to permit performance of the Services then, without prejudice to any other right or remedy available to L3 CTS, L3 CTS may invoice the Buyer for any and all additional costs incurred by L3 CTS as a result of such failure.
8. **Force Majeure**
- 8.1. Neither Party shall be liable for nor deemed to be in default on account of delays in performance of any of its obligations under this Agreement which are due directly or indirectly to any event or circumstance or combination of events or circumstances that is beyond the reasonable control of the affected Party and materially and adversely affects the performance by such Party of all or a part of its obligations under or pursuant to this Agreement. ("Force Majeure Event.")
- 8.2. For the avoidance of doubt, the Buyer shall not be relieved of its obligation to make timely payment associated with Services milestones achieved prior to the occurrence of a Force Majeure Event.
- 8.3. The affected Party shall give the other party timely notice after it becomes aware of any Force Majeure Event, which notice shall, to the extent practicable, specify the length of the delay anticipated and any additional costs, incurred or likely to be incurred, by reason of such Force Majeure Event and the Parties shall agree to amend the Buyer's order in accordance with clause 2.4.
- 8.4. If a Force Majeure Event continues for a period of one hundred and eighty (180) consecutive days then this Agreement shall automatically terminate in accordance with clause 12.4 unless the Parties agree otherwise in writing.
9. **Intellectual Property Rights ("IPR")**
- 9.1. Buyer agrees that the ownership of all intellectual property rights in the Product shall remain the exclusive property of L3 CTS and/or the relevant third party supplier as applicable.
- 9.2. Upon acceptance of the Product in accordance with clause 5, L3 CTS shall grant to the Buyer a non-exclusive, non-transferable, license to use the Product for the sole purpose of operating and maintaining the Product and any associated equipment as long as the Buyer operates the Product at the Buyer's site and complies with the terms and conditions of this Agreement, including the right to:
- 9.2.1. make one (1) copy only of the software to be used solely for back-up or archiving purposes; and
- 9.2.2. make copies of any documentation provided as are reasonably necessary for the purpose of providing air crew and/or ground crew training to a maximum of three (3) copies.
- 9.3. The Buyer shall not:
- 9.3.1. copy (other than in accordance with clause 9.2.1 and 9.2.2), modify, export or derive training material and/or devices from, nor reverse engineer, decompile, disassemble from the or translate nor create derivative works based on the Product; or
- 9.3.2. use the Product to manufacture or enable the manufacture of any Products and/or of any part, component, system or element of the Equipment; or
- 9.3.3. disclose any Confidential Information regarding the Product or any part thereof to any other persons or companies without L3 CTS' prior written approval.
- 9.4. In the event that an arbitration award or a court decision having the authority of a final conclusive judgement duly concludes that L3 CTS' Product infringes a third party's intellectual property rights then L3 CTS shall indemnify, defend, and hold harmless Buyer against all reasonably incurred legal proceedings and costs resulting from such infringement except and to the extent that any such infringement is based upon:
- 9.4.1. any act or omission of the Buyer in its use of the Product; or
- 9.4.2. the claim relates to a third party supplier's Product and L3 CTS shall use reasonable efforts to obtain from such third parties the most favourable patent indemnity protection for the Buyer hereunder.
- 9.5. L3 CTS shall not be responsible for any settlement made by the Buyer without L3 CTS' prior written consent.
- 9.6. Notwithstanding clause 12.2 any breach of this clause 9 by the Buyer shall be considered a substantial material breach of this Agreement and L3 CTS shall be entitled to terminate this Agreement with immediate effect.
10. **Warranty and Support**
- 10.1. Unless otherwise stated in the applicable proposal L3 CTS warrants that the Product shall be free from defects in material and workmanship for a period of three (3) months from delivery of Goods or acceptance of Services in accordance with the L3 CTS Warranty and In-Service Support Policies <https://www.l3cts.com/support-and-warranty-policies>.
- 10.2. L3 CTS warrants that it shall discharge its obligations hereunder with all due skill, care and diligence in accordance with good industry practice and (without limiting the generality of this condition) with its own established internal procedures.
- 10.3. L3 CTS further warrants that all obligations shall be performed and rendered by appropriately experienced, qualified and trained staff suited to the Products to be delivered.
11. **Liability & Indemnity**
- 11.1. The Buyer shall be responsible for and shall defend, indemnify and hold harmless L3 CTS, its servants, agents and subcontractors from and against all claims, losses, damages, costs (including reasonable legal costs), expenses and liabilities of every kind or nature in respect of the personal injury or death of any personnel or third party and/or damage to third party property resulting from



- the negligence or wilful misconduct of the Buyer, its servants, agents or sub-contractors under this Agreement.
- 11.2.** L3 CTS shall not be liable for any loss, destruction or damage to Buyer's property, including any property which may be the subject of the order unless and then only to the extent that such loss, destruction or damage is a direct result of L3 CTS' wilful misconduct.
- 11.3.** IN NO EVENT SHALL L3 CTS BE LIABLE FOR INDIRECT, SPECIAL, CONSEQUENTIAL, MULTIPLE OR PUNITIVE DAMAGES OR ANY DAMAGE DEEMED TO BE OF AN INDIRECT OR CONSEQUENTIAL NATURE ARISING OUT OF OR RELATED TO ITS PERFORMANCE UNDER THIS AGREEMENT, WHETHER BASED UPON BREACH OF CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE AND WHETHER GROUNDED IN TORT, CONTRACT OR CIVIL LAW OR OTHER THEORIES OF LIABILITY, INCLUDING STRICT LIABILITY.
- 11.4.** IN NO EVENT SHALL THE TOTAL CUMULATIVE LIABILITY OF L3 CTS OR ITS SUBCONTRACTORS OR SUPPLIERS OF ANY TIER FOR THE PERFORMANCE OR BREACH OF THIS AGREEMENT OR ANYTHING DONE IN CONNECTION THEREWITH EXCEED THE PRICE PAYABLE FOR THE PRODUCT.
- 11.5.** In the event that this limitation of liability conflicts with any other provisions of this Agreement, said provision shall be regarded as amended to whatever extent is required to make such provisions consistent with this provision.
- 11.6.** Nothing in this clause shall exclude or limit either Party's liability to each other for death or personal injury; or fraud or fraudulent misrepresentation or any other liability which cannot be excluded or limited at law.
- 12. Default**
- 12.1.** Either Party may terminate all or a portion of this Agreement for default which is defined as a substantial breach of material obligations by the other Party.
- 12.2.** In the event of termination for default, the Party shall give the other Party fifteen (15) days prior written notice to cure or to commence to cure the alleged breach.
- 12.3.** In addition, either Party may terminate the contract if the other becomes insolvent makes an assignment for the benefit of creditors, is adjudged bankrupt or if a receiver is appointed for the whole or any part of its assets.
- 12.4.** L3 CTS shall be entitled to payment for Products delivered prior to termination including work in progress undertaken.
- 13. Insurance and Title**
- 13.1.** Both Parties shall obtain and maintain, at their expense, policies of insurance of a coverage and scope sufficient for the purposes of the obligations contained in this Agreement.
- 13.2.** Failure to obtain sufficient insurances shall not be considered a defence against recovery of any amounts due by the Buyer to the L3 CTS for claims under this Agreement.
- 13.3.** Title to the Product, as applicable, shall pass to Buyer upon receipt of payment in full of the price.
- 13.4.** Risk of Loss for items shall transfer to the Buyer on delivery.
- 14. Confidentiality**
- 14.1.** Each Party shall treat all information ("Confidential Information") belonging to the other Party as confidential and safeguard it accordingly and shall not disclose any Confidential Information belonging to the other Party to any other person without the prior written consent of the other Party, except to such extent as may be necessary for the performance of this Agreement or where disclosure is otherwise expressly permitted by the provisions of this clause 14.
- 14.2.** The provisions of this clause 14 shall not apply to any Confidential Information received by one Party from the other which:
- 14.2.1.** Is or becomes public knowledge (otherwise than by breach of this clause);
- 14.2.2.** was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party;
- 14.2.3.** is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure;
- 14.2.4.** is independently developed without access to the Confidential Information; or
- 14.2.5.** must be disclosed pursuant to a statutory or legal obligation placed upon the Party making the disclosure.
- 15. Export Control**
- 15.1.** Unless otherwise implied by the delivery terms stated in the applicable proposal the Buyer shall be responsible for procuring all necessary import or export licences required to support delivery of the Goods and shall be solely responsible for any duties payable in respect of the same.
- 15.2.** The Buyer shall fully comply with all applicable import, export or re-export regulations (including, but not limited to, any US Government export control requirements) applicable to the Goods or piece of equipment bound to the Goods, and shall hold harmless and indemnify L3 CTS against any claim, liability, losses, costs, damages and expenses (including without limitation attorney's fee) of whatsoever nature or kind or amount, based upon or resulting from any action or claim raised by any third party (including without limitations any entity, whether incorporated or not, state agency, governmental authority) due to a failure by the Buyer, or any of their agents, assignees and/or transferees and/or sub-licensees to comply with any and all export/re-export regulations.
- 16. Severability**
- 16.1.** The provisions of this Agreement are severable and the invalidity, illegality or unenforceability of any one or more of its provisions shall not affect the validity and enforceability of any other provisions.
- 16.2.** If any provision of this Agreement is declared to be invalid, illegal, or unenforceable the parties agree that the court of competent jurisdiction should substitute a valid and enforceable provision that, to the maximum extent possible in accordance with all applicable law and preserves the legal and economic positions of each party as intended in this Agreement.
- 17. Anti-Bribery and Corruption**
- 17.1.** In entering this Agreement, each Party warrants that it has not done, and in performing its obligations under this Agreement, it shall not do, any act or thing that



contravenes the Bribery Act 2010 (UK), US Foreign Corrupt Practices Act or any other applicable anti-bribery or anti-money laundering laws and/or regulations.

**18. Disputes and Law**

18.1. In any dispute arising between L3 CTS and the Buyer, the parties shall first use all reasonable endeavours to resolve amicably in the ordinary course of business.

18.2. Nothing shall prevent the Parties from seeking from any court of the competent jurisdiction an interim order restraining the other Party from doing any act or compelling the other Party to do any act.

18.3. This Agreement shall be governed by English law and the parties hereby submit to the exclusive jurisdiction of the English Courts.

**19. Waiver**

19.1. The waiver by either Party of any breach of any term of the Agreement will not prevent the subsequent enforcement of that term and will not be deemed a waiver of any subsequent breach.

**20. Sole Remedy**

20.1. The Parties agree that the rights and remedies arising by virtue of the operation of this Agreement are the sole and exclusive rights and remedies between the Parties in relation to any of the matters arising under this Agreement or otherwise and no Party shall be entitled to claim any right or remedy against the other which does not arise by virtue of the operation of this Agreement.

**21. Assignment**

21.1. A Party shall not assign to any third party any or all of its rights and obligations under this Agreement, without prior written consent of the other Party, such consent not to be unreasonably withheld, except and to the extent that L3 CTS reserves the right to refuse consent to any assignment to a direct competitor in the design and manufacture of flight training devices and/or the provision of flight training services.

**22. No Agency**

22.1. The relationship of the Parties hereunder is one of buyer and seller of the Equipment. No relationship of agency, joint venture or partnership shall exist or shall be deemed to exist between the Parties and in particular, it is expressly understood that the Buyer shall not have the authority to bind L3 CTS in any way.

**23. Third Party Rights**

23.1. A person who is not a Party to the Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 (UK) or any other similar applicable laws and/or regulations.

**24. Notices**

24.1. Any notice or communication given under this Agreement shall be given in writing and shall be regarded as properly served:

24.1.1. By email – on receipt of a “Received Receipt”;

24.1.2. By post – forty eight (48) hours after dispatch by Guaranteed Next Day Delivery.

**25. Variations**

25.1. No variation to this Agreement shall be binding unless agreed in writing between the Parties.

25.2. Notwithstanding clause 25.1, L3 CTS reserves the right to update this Agreement in line with operational

requirements and updates hereto shall be available at <https://www.l3cts.com/terms-and-conditions>

**26. Agreement**

26.1. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes and merges all prior or contemporaneous proposals, negotiations, understandings and agreement, whether oral or written, relating to the subject matter hereof.