



## CFM CONDUCT POLICIES

### PREAMBLE

The goal of these Conduct Policies, which have been framed and agreed upon with IATA, is to set out the core policies or guidelines that CFM apply in its aftermarket practices, in particular in relation to non-OEM competition. CFM is committed to the spirit and the letter of these Conduct Policies, expects their communication will facilitate their awareness among CFM's customers, and supports IATA's intention to expand the application of these policies to other stakeholders in the aerospace industry. The Conduct Policies are designed to foster robust and open competition on the merits in relation to the jet engines aftermarket practices.

The Conduct Policies reaffirm the applicable EASA/FAA regulations, including on the responsibilities of the various actors in the industry. They also aim at continuously promoting an open competitive aftermarket for parts and services in relation to all CFM engine models, through the issuance of transparent statements and processes in compliance with applicable laws and regulations, in all aspects such as licensing, warranties, servicing, technical support, repairs, communication and contracting.

This Preamble should be read and understood in conjunction with the provisions of the accompanying Conduct Policies and Implementing Measures. It does not create any legally enforceable obligation by CFM, or grant any right to IATA, its members or any third party, beyond the rights and obligations set out expressly in the Conduct Policies and Implementing Measures.

No provision of the Conduct Policies or Implementing Measures, including this Preamble, may be construed or asserted by any party as an admission, or evidence of a violation of competition law or any other laws by CFM. CFM will take no action to deter, nor retaliate, any beneficiary of the Conduct Policies or Implementing Measures from raising concerns related to CFM's compliance with the Conduct Policies.

### CONDUCT POLICIES

1. For the purposes of the Conduct Policies and Implementing Measures, the following terms shall have the respective meanings set forth below:



“Actual Competitors” has the meaning set forth in Section IX of the Implementing Measures.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “control,” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of equity interests or otherwise; and the terms “controlling” and “controlled” have correlative meanings to the foregoing.

“AOW” means All Operators Wires.

“Arbitral Tribunal” shall mean an arbitral tribunal constituted in accordance with Section X of the Implementing Measures.

“Beneficiary” has the meaning set forth in Section IX of the Implementing Measures.

“CBSA” means CFM Branded Service Agreement.

“CFM” means CFM International Inc. and CFM International S.A. CFM also includes GE and SAE personnel, shops and policies relating to CFM engines including all maintenance, repair and overhaul operations.

“Conduct Policies or Implementing Measures Dispute” means (i) a claim by any Beneficiary(ies), or by the Trustee on behalf of any Beneficiary(ies), against CFM concerning whether CFM has complied with the Conduct Policies and/or Implementing Measures, (ii) a claim by CFM against IATA concerning whether IATA has complied with the Conduct Policies and/or the Implementing Measures or (iii) a claim by CFM against any other Beneficiary(ies) concerning the application of paragraph 73 of the Implementing Measures.

“Conflict of Interest” means any conflict of interest that, objectively, from the point of view of a disinterested party, impairs the Trustee’s objectivity and independence in discharging its duties under the Agreement.

“Critical Influencing Part” or “CIP” means a part for which EASA and FAA regulations require system level assessments to define the combination of loads, material properties, environmental influences and operating conditions to which a critical part will be subjected when establishing the approved life for critical parts. CIPs are those parts that establish the boundary conditions that form the operating

environment for critical parts pursuant to the relevant FAA or EASA-approved engineering plan that determines the life limit for each critical part. CIPs are parts that:

- i. exert mechanical load(s) on the subject critical part by direct physical interaction between the influencing part and the critical part; or
- ii. exert pressure load(s) on the subject critical part if the influencing part directly affects the pressure load on the critical part itself or on a part that physically mates with the critical part; or
- iii. provide potential vibratory stimulus to the subject critical part if the influencing part has the potential to provide a direct or indirect vibratory stimulus to the critical part itself or to a part that physically mates with the critical part; or
- iv. influence the thermodynamic environment of the subject critical part if the influencing part has the potential to impact the primary flowpath parameters or secondary air circuits affecting cooling or purge flows.

All parts that constitute influencing parts are openly identified in the overhaul ESM (section 05■00-00 of CFM ESM). The applicable regulatory framework includes:

- EASA Certification Specifications and Acceptable Means of Compliance for Engines CS-E Book 1, CS-E 515 Engine Critical Parts, page 1-D-3 and CS-E Book 2, AMC E 515 Engine Critical Parts, pages 2-D-8 through 2-D-18.
- FAA 14 CFR para 33.70 Engine life-limited parts and Advisory Circular 33.70-1, Guidance Material for Aircraft Engine Life-Limited Parts Requirements Section 8 Guidance for Defining an Engineering Plan.

“DER” means Designated Engineering Representative pursuant to the U.S. FAA Regulations as published in the U.S. Code of Federal Regulations 14 CFR Parts 183.29.

“DOA” means Design Organization Approval pursuant to Commission Regulation (EU) No 748/2012 of 3 August 2012 laying down implementing rules for the airworthiness and environmental certification of aircraft and related products, parts and appliances, as well as for the certification of design and production organizations (Annex I Part 21 Subpart J – Design Organisation Approval).

“DR” means Departure Record and refers to the process used by CFM to document technical data and assessments provided to Operators for evaluation of specific conditions that depart from, or are not addressed by, published documents in relation to the serviceable limits originally indicated in the OEM manuals.

“EASA” means European Aviation Safety Agency.



“EPA” means European Part Approval and refers to an article that has been produced in accordance with approved design data not belonging to the type-certificate holder of the related product, except for ETSO articles, pursuant to Commission Regulation (EU) No 748/2012 of 3 August 2012 laying down implementing rules for the airworthiness and environmental certification of aircraft and related products, parts and appliances, as well as for the certification of design and production organizations (Annex I Part 21).

“ESM” means CFM Engine Shop Manuals forming part of the Instructions for Continued Airworthiness pursuant to the FAA regulations published in the U.S. Code of Federal Regulations at 14 CFR Parts 21 and 33, Commission Regulation (EU) No 748/2012 of 3 August 2012, and the EASA Certification Specifications and Acceptable Means for Compliance of Engines (CS-E). Also included in “ESM” are Engine Maintenance Manual or Section and Engine Overhaul Manual or Section pursuant to the U.S. FAA Regulations as published in the U.S. Code of Federal Regulations 14 CFR Part 33 Appendix A.

“Event of Force Majeure” shall have the meaning set forth in Section XVI of the Implementing Measures.

“FAA” means Federal Aviation Administration.

“Fully Disclosed Repairs” means repairs which can be performed on the basis of the repair process instructions disclosed in the ESM.

“GE” means General Electric Company’s Aviation Business unit and its Affiliates.

“GSLA” means General Support License Agreement.

“IATA” means International Air Transport Association, an association incorporated under the Statutes of Canada, 1945, Chap. 51 (assented to December 18, 1945), as amended from time to time.

“ICC” shall have the meaning set forth in Section X of the Implementing Measures.

“ICC Rules” shall have the meaning set forth in Section X of the Implementing Measures.

“Implementing Measures” means the implementing measures of the Conduct Policies.



“Independent MRO Shop” means any MRO Shop other than one that is owned and operated by CFM, GE or SAE. In particular, it includes airline MRO Shops when servicing third party airlines and MRO Shops that operate under the CBSA.

“Influenced CFM LLP” refers to CFM LLP influenced by non-OEM CIP.

“LCA” means Large Commercial Aircraft.

“Liaison Officer” has the meaning set forth in Section XI of the Implementing Measures.

“LLP” means Engine Life Limited Parts (FAA regulations) and Engine Critical Parts (EASA regulations) and refers to rotor and major static structural parts whose primary failure is likely to result in a hazardous engine effect. These parts have operating limitations established which specify the maximum allowable number of flight cycles for each engine life-limited part, pursuant to the FAA Regulations as published in the U.S. Code of Federal Regulations 14 CFR Part 33, and the EASA Certification Specifications and Acceptable Means for Compliance of Engines (CS-E).

“MRO Shop” refers to a provider of maintenance, repair or overhaul services for aircraft engines certified by the FAA, EASA or any other airworthiness authority.

“MSA” means Materials Services Agreement.

“OEM” means Original Equipment Manufacturer and refers to CFM.

“Operator” means the holder of an air operator’s certificate granted by a national aviation authority, including an air carrier certificate or an operating certificate.

“Overhaul Shop” refers to a provider of overhaul services certified by the FAA, EASA, or any other airworthiness authority. Overhaul refers to the following tasks, either performed by the Overhaul Shop directly or outsourced to a third party: (i) disassembly of an engine into piece parts; (ii) cleaning piece parts for inspection; (iii) inspecting piece parts for comparison to their respective serviceability limits; (iv) coordinating with the airline to define the work scope and desired goals for the overhaul; (v) managing material logistics; (vi) installing serviceable parts; (vii) reassembly of the engine; (viii) verifying engine performance via an engine test; and (ix) carrying out Fully Disclosed Repairs as part of an engine overhaul.

“Party” means each of CFM and IATA (and “Parties” means collectively CFM and IATA).



“Person” means any individual, corporation, partnership, association, limited liability company, trust, estate, unincorporated organization, government or agency or political subdivision thereof or other entity or any group comprised of two or more of the foregoing.

“PLA” means Purchase License Agreement.

“PMA” means Parts Manufacturer Approval and refers to articles produced in accordance with approved design pursuant to the U.S. FAA Regulations as published in the U.S. Code of Federal Regulations 14 CFR Parts 21 Subpart K.

“Potential Competitors” has the meaning set forth in Section IX of the Implementing Measures.

“Rules” shall mean either the ICC Rules or the UNCITRAL Rules, as applicable.

“SAE” means Safran Aircraft Engines and its MRO subsidiaries.

“Trustee” shall have the meaning set forth in Section XII of the Implementing Measures.

“UNCITRAL Rules” shall have the meaning set forth in Section X of the Implementing Measures.

2. The Conduct Policies apply to all CFM engines. They also apply to CFM, GE and SAE respective personnel, shops and policies relating to CFM engines.
3. The Conduct Policies do not apply to third-party vendors of parts, such as LRUs, that are installed on CFM engines, when such vendors have their own MRO practices and policies independently from CFM. CFM will nevertheless recommend to these vendors that they follow, as appropriate, the Conduct Policies.
4. The existence of these Conduct Policies does not constitute an admission of, or evidence of, a violation by CFM under any relevant law, including any competition law.
5. The Conduct Policies inure to the benefit of, and are intended only to benefit the Beneficiaries, as the term is defined and used in the Implementing Measures, and subject to the terms therein. The Implementing Measures are an accompanying and integral document, whose terms are incorporated herein. Any potential Beneficiary seeking to claim the benefit of these Conduct Policies should closely review the Implementing Measures, which can be found on CFM's website ([www.cfmaeroengines.com](http://www.cfmaeroengines.com)).



6. Any Beneficiary claiming the benefit of the Conduct Policies or the Implementing Measures, agrees to be bound by the terms and conditions of the Conduct Policies and the Implementing Measures, including in particular, but not exclusively, its provisions regarding dispute resolution, damages and penalties. CFM shall be bound by the Conduct Policies and Implementing Measures towards IATA and any other Beneficiary as from the entry into force of the Conduct Policies and the Implementing measures. Any Beneficiary shall have the right to claim against CFM for any breach of the Conduct Policies and/or Implementing Measures that occurs after the entry into force thereof, pursuant to the provisions thereof, whether or not that Beneficiary had by that point accepted the terms and conditions of the Conduct Policies and/or the Implementing Measures.

The Conduct Policies are:

#### *Licensing*

7. CFM licenses apply on a non-discriminatory basis and do not limit the use of CFM's ESM and part repair licenses, including licenses for substantiated repairs, to engines that contain only OEM parts and repairs.
8. Any CFM repair licensee may perform a CFM licensed repair, irrespective of whether the repaired part will be installed in an engine that also contains non-OEM parts or repairs.

#### *Warranties<sup>1</sup>*

9. CFM warranties for engines, new parts and services apply on a non-discriminatory basis to CFM engines, including those that contain non-OEM parts or repairs. The mere installation of non-OEM parts and/or repairs in the engine does not in itself render the warranty void.
10. CFM's acceptance of a customer claim under a CFM warranty is based on the cause of the failure of the CFM part or repair for which the warranty claim was made.
11. For customers who choose to install non-OEM parts and/or repairs, CFM honors any warranty claim unless CFM's engineering analysis of the part failure demonstrates that the failure of the CFM part or repair was caused by the non-OEM part or repair. CFM will carry out its engineering analysis without undue delay consistent with its standard warranty administration practices.

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<sup>1</sup> For the purpose of this document, "warranties" should be understood as all warranties and guarantees offered by CFM in its contracts with customers.



12. The use of non-OEM parts or repairs is not relevant in the CFM's warranty administrator's evaluation of any warranty claim unless CFM's engineering analysis of the specific part/condition that is the basis for the claim demonstrates that the condition was caused by non-OEM parts or repairs.
13. If CFM engineering analysis demonstrates that failure was caused by a non-OEM part or repair, CFM will provide the customer with a detailed explanation and a copy of the findings of its engineering analysis, and will consider in good faith any additional relevant data that the customer may choose to provide to CFM. If the customer provides additional data to CFM, CFM will either (1) carry out a new analysis in light of these data, or (2) explain why the additional data do not merit a new analysis.

### *Servicing*

14. CFM services engines on a non-discriminatory basis: CFM does not refuse to service engines on the basis that they contain non-OEM parts or repairs.
15. All Operators and MRO Shops, including Independent MRO Shops, can purchase CFM parts and/or services, including separate part repair services (including the repair of individual piece parts) from CFM, GE, SAE and/or their licensees, as applicable, on a non-discriminatory basis (i.e. irrespective of whether they otherwise utilize non-OEM parts or repairs). In particular, GE and SAE perform OEM part repair services and make all OEM part repairs (including substantiated repairs) available for purchase to all Operators and MRO Shops.
16. CFM offers an OEM solution to all requests for quote and clearly discloses the terms and conditions related to the replacement of non-OEM parts/repairs or Influenced CFM LLPs in its service proposals to Operators. Removed non-OEM parts and Influenced CFM LLPs, at the customer's option, will either be returned to the Operator upon request and at its cost or scrapped.
17. If non-OEM parts/repairs or Influenced CFM LLPs are unexpectedly found during a shop visit that was contracted with CFM in accordance with the above paragraph, CFM will, at the option of the customer, either remove and replace or reinstall the parts concerned if they are serviceable. If the customer elects to remove and replace the non-OEM parts concerned, CFM and the customer will enter into a binding amendment to the service agreement that provides for revised pricing (for additional OEM parts) and commercial terms. If the customer elects to have CFM reinstall the serviceable non-OEM parts concerned, CFM and the customer will enter into a binding amendment to the service agreement specifying (i) the revised commercial terms (non-discriminatory commercial terms as to the existence of the non-OEM parts) reflecting the revised work scope, and (ii) the responsibility of the Operator for the reinstalled parts (i.e., the



Operator shall provide instruction for serviceability, release and indemnification) without warranty by, and responsibility for, CFM, other than a workmanship warranty addressing CFM's reinstallation of the non-OEM parts if and when feasible pursuant to the instructions provided by the customer.

18. When CFM services a module of an engine as contracted with the customer, it will only address that module and, unless otherwise agreed with the customer, it will not take any action on other modules of the engine that are not covered by the contract, irrespective of the presence of non-OEM parts or repairs in these other modules.
19. CFM's CBSA agreements will allow and CFM will recommend that CBSA shops adopt the same approach as CFM with respect to reinstallation of influenced LLP and serviceable non-OEM parts or repairs (as described in paragraph 17 above).
20. CFM's licenses apply on a non-discriminatory basis: any CFM part repair licensee may perform a CFM-licensed repair, irrespective of whether that part will be installed in an engine that also contains non-OEM parts or repairs.
21. CFM's licenses for use of the ESM and part repair instructions do not require licensees to only use OEM parts and repairs.

### *Technical Support*

22. CFM supports each customer and each CFM engine on a non-discriminatory basis irrespective of whether the CFM engine contains non-OEM parts or repairs, subject to CFM's ability to perform the relevant engineering analyses.
23. The mere use of non-OEM parts or repairs in an engine does not preclude the evaluation of a DR request for a CFM LLP, unless the non-OEM part is a CIP for the LLP concerned.
24. When technically feasible, CFM will leverage fleet experience and update the ESM to reflect new or extended inspection, serviceability and/or repair criteria or limits addressed by DRs.
25. CFM evaluates each DR request in relation to engines that contain non-OEM parts or repairs on a non-discriminatory basis, based solely on CFM's ability to perform the engineering analysis necessary to compliantly issue a DR on the specific CFM part for which the DR is requested, taking into account the technical capability and engineering cost required to provide a DR.

In particular:

### *CFM LLP*



- (a) CFM evaluates DR requests for CFM LLPs when the LLP part has been operated with CFM CIP for the LLP in question.
- (b) The presence of non-OEM parts or repairs only impacts CFM technical assessment to compliantly issue a DR if those parts are CIPs for the LLP in question or those repairs were performed on CIPs for the LLP in question. For the avoidance of doubt, non-OEM parts that are not CIPs, and non-OEM repairs performed on non-CIPs, do not impact CFM's evaluation process of a DR for CFM LLPs.

*CFM non-LLP*

- (c) CFM evaluates all DR requests for CFM non-LLPs, when the part is at the piece part level, irrespective of whether the part was operated in a non-OEM configuration.
- (d) CFM evaluates DR requests for CFM non-LLPs that are on an assembled engine, when the engine configuration allows CFM to perform the necessary engineering analysis to compliantly issue a DR on the part for which the DR has been requested.
- (e) Installation of non-OEM parts or repairs in positions that do not affect CFM's analysis of the specific CFM non-LLP DR request on assembled engines does not affect evaluation of the DR request.

*Repairs in Engine Shop Manual*

- 26. CFM will not subsequently remove a Fully Disclosed Repair from any existing or subsequent version of the ESM absent a technical basis for the removal of the repair.
- 27. CFM introduces new part numbers consistent with CFM's Operating Practice No. T-015 on CFM Configuration Control Process and the documents referred to therein.
- 28. On the occasions that CFM introduces a new/upgraded part version, and then issues a new available repair for the newer part version, CFM will ensure that the original repair instruction for the original part version remains available in the ESM (or by other means, e.g., through its website) unless there is a technical basis for removing the repair. CFM will also ensure that the original repair instruction remains available in the ESM for use with the new part number unless a relevant technical analysis demonstrates that there is a basis to remove the repair.
- 29. CFM, GE and SAE, as appropriate, determine whether to license part repairs (other than Fully Disclosed Repairs) based on commercial considerations.



30. For licensed repairs that require substantiation, CFM assists licensees to substantiate all relevant repairs for which they hold a license.
31. In accordance with airworthiness regulators' directives, CFM requires substantiation of repair sources when, due to the nature of the repair technology and/or the part being repaired, it is necessary to verify that the repair process is performed in a manner that returns the part to an airworthy condition.

Examples include:

- (a) CFM discovers, through part production or in-service experience, that some features of a given repair (e.g. thickness and/or hardness of a coating) may need to be placed under tighter control during the repair process;
- (b) CFM introduces a change in the design of the part being repaired and it is necessary to verify that the repair process is performed in a manner that returns the part to an airworthy condition.

### *Exclusive Agreements*

32. Operators, aircraft owners and lessors have the freedom to opt for OEM solutions or for non-OEM solutions, and they may make their choice public.
33. CFM will not enter into exclusive MSAs with airlines except in response to the airline's request for an exclusive MSA.
34. CFM MRO model is open and characterized by the possibility of a variety of service product solutions for customers. This includes the right for CFM to offer risk transfer products. If, at any time, a customer requests a proposal for a different type of service product, CFM will also offer an alternative to a risk transfer product. In addition, the commitment expressed in paragraph 33 does not apply to CFM's current or future agreements that entail a transfer of risk of overhaul and/or material risk from the Operator to CFM.
35. CFM will not enter into exclusive MSAs with MRO Shops except in the context of a CBSA or in response to the MRO Shop's request for an exclusive MSA.
36. CFM will support early execution of license agreements with independent MRO Shops, to supplement the services offering provided by CBSA shops for the LEAP engine; CFM will consider all requests for license agreements from independent MRO Shops.

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## **IMPLEMENTING MEASURES OF CFM CONDUCT POLICIES**

### **PREAMBLE**

These Implementing Measures have been agreed upon by CFM and IATA to support and foster a competitive airline industry based on core values of passenger safety, competition on the merits, and transparency. CFM and IATA agree to protect these core values by means of these Implementing Measures.

CFM has issued Conduct Policies setting forth the principles CFM applies to its engine maintenance practices and policies. The Conduct Policies are available on CFM's website ([www.cfmaeroengines.com](http://www.cfmaeroengines.com)).

These Implementing Measures provide the framework that will govern the implementation and enforcement of CFM's Conduct Policies in recognition of the Parties' core values of passenger safety, competition on the merits, and transparency.

The existence of these Implementing Measures does not constitute an admission of, or evidence of, violation by CFM under any relevant law, including any competition law.

### **GUIDANCE**

Where CFM proposes to issue guidance in the Conduct Policies or these Implementing Measures, it will do so through AOWs or other appropriate communication. These AOWs and communication will be issued to all current recipients in the ordinary course of CFM communications. IATA will receive an advance copy and will be given an opportunity to review and comment thereon.

## **IMPLEMENTATION OF THE CFM CONDUCT POLICIES**

### **I. LICENSES**

37. CFM agrees to waive fees (both upfront fee and royalty) for Overhaul Shops for the use of its ESM (i.e. overhaul instructions and Fully Disclosed Repairs) charged under CFM's PLA and will not require any other form of financial compensation for such use by shops overhauling CFM engines.



38. CFM maintains a standard license agreement for the use of the ESM and the Fully Disclosed Repairs instructions contained therein.
39. CFM reserves the right to continue charging fees for technical support and other services provided under CFM's GSLA. These fees will remain reasonable in relation to the services provided and CFM's past practices. CFM will reduce the fees currently charged for the GSLA by the amount charged for the PLA, in order to eliminate from the GSLA charges for access to the ESM for Overhaul Shops. CFM will not arbitrarily change the fee structure in its GSLAs to compensate for this fee reduction.
40. CFM licenses its ESM on a non-discriminatory basis. CFM's licenses do not limit the use of the overhaul and part repair instructions in the ESM to engines that contain only OEM parts and repairs. CFM will amend language in CFM's ESMs in future revisions to make it clear and will remove any existing language in the ESM that is inconsistent with this principle. CFM reserves the right to reproduce relevant regulatory provisions addressing the use of the ESM. Customers may use the ESM to service their own engines and may service third party engines, without incurring the ESM upfront or royalty fees as described in paragraph 37, subject to the execution of a license agreement with CFM covering the servicing of third party engines.
41. CFM will include in the provisions of future CFM overhaul and part repair license agreements, including license agreements for substantiated repairs, a statement that the license is not limited to the overhaul of engines, or the repair of parts in engines, that contain only OEM parts and repairs.
42. CFM will issue guidance to state that CFM's licenses do not limit the use of the overhaul and part repair instructions in the ESM to engines that contain only OEM parts and/or repairs and that these principles will override any contrary interpretation of language in CFM's ESMs or existing agreements.
43. CFM will issue and maintain internal guidance and regularly train CFM employees and staff and issue guidance to licensed MRO Shops to operate in compliance with these principles when negotiating or implementing CFM agreements. CFM will share the training and guidance material with IATA and allow IATA to comment on the material.

## II. WARRANTIES

44. CFM will include a statement in all future contracts to make clear that the mere use or presence of non-OEM parts and repairs does not render void CFM warranties. CFM will also amend language in future contracts as needed to eliminate potential ambiguity.



45. CFM will issue guidance to state that the principles of the Conduct Policies override any contrary interpretation of existing CFM agreements. This also applies to contract extensions.
46. CFM will include in its internal administrative operating practices related to warranty processing a statement expressing these principles.
47. CFM will issue and maintain internal guidance and regularly train CFM employees and staff to operate in compliance with this principle when negotiating or implementing CFM agreements. CFM will share the training material with IATA and allow IATA to comment on the material.

### III. SERVICING

48. CFM will issue guidance that:
  - (a) CFM does not refuse to service engines because they contain non-OEM parts or repairs.
  - (b) CFM licenses, including CBSAs, do not limit the use of CFM ESMs and part repair licenses to engines containing only OEM parts and repairs.
  - (c) All airlines and MRO Shops may purchase all proprietary repairs developed by GE and SAE, including substantiated repairs, from GE, SAE or their licensees, irrespective of whether the purchased repaired part is to be installed in an engine containing non-OEM parts or repairs.
  - (d) When CFM services a module of an engine as contracted with the customer, it will only address that module and, unless otherwise agreed with the customer, it will not take any action on modules of the engine that are not covered by the contract irrespective of the presence of the non-OEM parts or repairs.
49. CFM's guidance will make clear that these principles override any contrary interpretation of CFM engine manuals, agreements or existing contractual provisions.
50. CFM will also communicate in marketing materials that, while complying with applicable airworthiness regulations, Operators are free to choose among OEM and third party service providers and OEM and non-OEM service products for the overhaul, maintenance or repair of their CFM engine in connection with promoting CFM's open MRO approach.
51. CFM will include a statement in its contracts to state that any CFM part repair licensee may perform a CFM-licensed repair, irrespective of whether that part will be installed in



an engine that also contains non-OEM parts or repairs; that CFM's licenses for use of the ESM and part repair instructions do not require licensees to only use OEM parts and repairs; that the mere use or presence of non-OEM solutions does not render void CFM warranties; and/or will amend existing language as appropriate.

52. CFM will issue and maintain internal guidance and regularly train CFM employees and staff to operate in compliance with these principles when negotiating or implementing CFM agreements. CFM will share the training material with IATA and allow IATA to comment on the material.

#### **IV. TECHNICAL SUPPORT / DEPARTURE RECORDS**

53. CFM will issue guidance that sets out the principles of the Conduct Policies.
54. CFM will include in relevant policies and procedures for DR requests an explicit statement expressing that the presence of non-OEM parts and repairs is only relevant to a DR request to the extent it affects CFM's ability to perform the relevant engineering analysis, and that the mere presence or use of non-OEM parts or repairs unrelated to the DR request does not preclude a DR consideration.
55. CFM will issue and maintain internal guidance and regularly train CFM employees and staff to operate in compliance with these principles. CFM will share the training material with IATA and allow IATA to comment on the material.
56. The DR process and its compliance with these principles will be audited by CFM parent companies through (i) their quality audits ISO 9000 and (ii) the audits carried out by the regulatory authorities. The Liaison Officer will ensure that such audits are implemented within the organizations of CFM's parent companies. Audit results and documentation will be made available to the Trustee upon request and on a confidential basis in the event of a complaint by a Beneficiary in relation to the application of paragraphs 23-25 of the Conduct Policies.

#### **V. THIRD PARTY-DEVELOPED PARTS AND REPAIRS COMMUNICATION**

57. CFM will communicate the following regulatory airworthiness provisions through a statement issued to its airline and MRO customers:
  - (a) Parts approved by the FAA under 14 CFR Part 21 and 14 CFR Part 43 and/or approved by the EASA under Part 21.A.109 and Part 21.A.451 are eligible for installation in CFM engines.



- (b) Parts that have been repaired with a repair approved by an FAA DER under 14 CFR Part 183 and/or an EASA DOA holder in accordance with Part 21, Subpart J and related Acceptable Means of Compliance and Guidance Material, are eligible for installation in CFM engines.
- (c) CFM AOWs and other communications concerning third party-developed parts and repairs are drafted so as to be consistent with the above. They should not be interpreted as suggesting that the FAA and/or EASA have not approved such parts and repairs for use in CFM engines.

- 58. CFM reserves the right to reproduce relevant regulatory provisions addressing the use of the ESM when relevant in its communications.
- 59. CFM will not issue AOWs, or other official statements, to notify Operators of the existence of non-OEM parts or repairs, or CFM's position with respect thereto unless necessary to notify Operators of (i) relevant engineering-based analysis, or safety or operability issues, or (ii) the existence of new non-OEM parts or repairs influencing CFM LLP parts (without making any qualitative statement concerning such non-OEM parts or repairs).
- 60. CFM will regularly train its customer support organization, and other departments that make official statements on behalf of CFM related to non-OEM parts or repairs to ensure that communications related to non-OEM parts or repairs are based on data that validates the proposed communication. CFM will share the training material with IATA and allow IATA to comment on the material.
- 61. CFM will review, and if necessary, update any internal company policies that specify the process for AOWs.

## **VI. REPAIR DISCLOSURE IN CFM ESM**

- 62. In the event that CFM removes a Fully Disclosed Repair from the ESM, it will disclose the technical basis for the removal of the repair to the Trustee upon request on a confidential basis.
- 63. CFM will adopt engineering practices to ensure that repair instructions for current part numbers are not removed from Fully Disclosed Repairs when upgraded parts and accompanying repairs are included in ESM revisions, unless there is a technical basis for removing the repair. In the event a previously disclosed repair is removed, CFM will issue guidance explaining the reason for the removal to customers. The full process may be reviewed by the Trustee upon request and on a confidential basis in the event of a complaint by a Beneficiary in relation to the application of paragraph 28 of the Conduct



Policies. CFM will train relevant engineering personnel on these practices on a regular basis.

64. CFM will review past revisions of the ESM and insert repairs that have been removed unless there was a technical basis for the removal. If CFM decides not to reintroduce a repair, it will disclose the technical basis for the removal of the part to the Trustee upon request and on a confidential basis.

## **VII. EXCLUSIVITY PROVISIONS AND MRO CONTRACTS**

65. Paragraphs 33 and 35 shall not affect the validity of any existing MSA. CFM will however consult with airlines that currently have exclusive MSAs and offer them the possibility to terminate their current agreement and renegotiate non-exclusive agreements if they choose not to maintain the existing agreements.
66. CFM will communicate to MRO Shops that, in parallel to promoting CBSAs, it welcomes requests for PLAs and GSLAs.
67. CFM will address written requests, made within 6 months from the entry into force of these Implementing Measures, from customers that currently have non risk-transfer, non-exclusive, MSAs with volume-related discounts and offer them the possibility to either terminate and renegotiate their agreements on different terms, or maintain the existing agreements.

## **ENFORCEMENT OF THE CFM CONDUCT POLICIES**

### **VIII. DURATION**

68. These Implementing Measures and the Conduct Policies will have a 7-year total term.

### **IX. BENEFICIARIES**

69. The Conduct Policies and the Implementing Measures are intended to inure to each of IATA, any airline member of IATA and the following beneficiaries (collectively "Beneficiaries"):

- (a) Any airlines;
- (b) "Actual Competitors", which are defined as entities manufacturing and selling PMA/EPA parts or DER/DOA repairs for CFM engines; and MRO Shops for CFM engines;



(c) "Potential Competitors," which are defined as MRO providers, DER/DOA providers and PMA/EPA holders that do not currently produce or provide PMA/EPA parts or DER/DOA repairs for CFM but that, as minimum requirements:

(i) Have the necessary FAA and/or EASA certifications to engage in the manufacturing of PMA/EPA or the provision of LCA engine part repair or overhaul services; and

(ii) Have written (internal or external) financing commitments for the manufacturing of PMA/EPA parts or DER repairs or for the provision of overhaul services for the relevant CFM engine, enabling them to start providing the product or service within a period of two years. Information necessary to determine whether this criterion is met will be protected through appropriate disclosure limitations.

(d) Lessors owning aircraft powered by CFM engines, provided they have a contractual relationship with an Overhaul Shop.

Provided that, Actual Competitors and Potential Competitors (points b. and c. above) shall only be considered Beneficiaries, and may only assert claims, for the engine models for which they actually compete or for which they establish the criteria i. and ii. of point c. above to be deemed a Potential Competitor.

Notwithstanding the foregoing, the following are not considered and shall not be considered as Beneficiaries, regardless of whether they satisfy the standards set forth above:

(a) LCA jet engine manufacturers; and

(b) Part manufacturers in relation to OEM parts they supply for CFM engines.

70. Any Beneficiary claiming the benefit of the Conduct Policies and the Implementing Measures, agrees to be bound by the terms and conditions of the Conduct Policies and the Implementing Measures, including in particular, but not exclusively, its provisions regarding dispute resolution, damages and penalties. CFM shall be bound by the Conduct Policies and Implementing Measures towards IATA and any other Beneficiary as from the entry into force of the Conduct Policies and the Implementing measures. Any Beneficiary shall have the right to claim against CFM for any breach of the Conduct Policies and/or Implementing Measures that occurs after the entry into force thereof, pursuant to the provisions thereof, whether or not that Beneficiary had by that point accepted the terms and conditions of the Conduct Policies and/or the Implementing Measures.

71. The Parties shall exercise good faith in the undertaking of all the duties, obligations, rights and responsibilities set forth herein.



## X. DISPUTE RESOLUTION

72. Subject to para. 74 below, if a party that would otherwise qualify as a Beneficiary chooses to bring a claim in any forum other than the Arbitral Tribunal provided for in these Implementing Measures based on an alleged claim that also gives rise to a Conduct Policies or Implementing Measures Dispute, then that party shall be deemed to not be a Beneficiary anymore (solely in relation to that alleged conduct), and shall be prohibited from bringing any arbitration proceeding based on that same underlying conduct pursuant to these Implementing Measures.
73. Conversely, if a Beneficiary brings a claim to arbitration under these Implementing Measures, including through the Trustee under paragraph 91(d) of these Implementing Measures, it will agree not to raise any claim based on the same alleged conduct in any judicial or other forum.
74. IATA will not file a formal complaint before any court or antitrust agency with respect to conduct that took place before or during the application of these Implementing Measures that relates to the Conduct Policies, these Implementing Measures or IATA's Complaint to the European Commission in case AT.40332, for the duration of these Implementing Measures. Any and all such claims by IATA against CFM shall be finally resolved by arbitration under these Implementing Measures. No other Party or Beneficiary is restricted in any way on the basis of this provision.

In relation to conduct which IATA believes is not subject to arbitration (under the clause above), IATA agrees in any event to discuss its concerns with CFM in good faith, and before the filing of a formal complaint before any court or antitrust agency, to enable CFM to address these concerns where possible.

75. In the event of a Conduct Policies or Implementing Measures Dispute between CFM and a Beneficiary, CFM, IATA and Beneficiaries shall always first seek in good faith to reach an amicable resolution of the dispute through the Liaison Officer.
76. If there is a dispute that cannot be resolved on an amicable basis within a period of 45 working days through the Liaison Officer, with possible agreed upon extension, the Beneficiary concerned may (i) directly initiate arbitration as provided herein or (ii) bring the matter to the attention of the Trustee. Without limiting the rights under paragraph 91, the Beneficiary may also ask the Trustee for a non-binding position based on written submissions from the Beneficiary and CFM to be communicated to both parties. If the Beneficiary requests a non-binding opinion from the Trustee and that opinion finds CFM to be in violation of a Conduct Policy, CFM may opine and decide to implement the Trustee's opinion. In such a case, CFM will have a period of 60 working days to implement the non-binding position before arbitration may be initiated. If CFM decides not to



implement the Trustee's opinion, CFM shall inform the Trustee and the Beneficiary concerned without undue delay after receipt of the opinion.

If CFM cures the alleged violation of the Conduct Policies or these Implementing Measures raised by a Beneficiary before the Liaison Officer and/or the Trustee within the above-mentioned time-limits to the satisfaction of the Trustee, then there is no recourse to arbitration, unless the Beneficiary does not accept the position of the Trustee. If CFM fails to cure an alleged violation to the satisfaction of the Trustee, or if the Beneficiary does not accept the position of the Trustee and does not consider the alleged violation cured, then the Conduct Policies or the Implementing Measures Dispute may be submitted by the Beneficiary for final and binding arbitration to either, at the election of the Beneficiary: (i) arbitration administered by the International Chamber of Commerce ("ICC") in accordance with its Rules of Arbitration then in effect (in such case, the "ICC Rules"), or (ii) ad hoc arbitration conducted under the UNCITRAL Rules of Arbitration then in effect (in such case, the "UNCITRAL Rules"); *provided that*, in either of those cases, the arbitration shall be finally resolved under the applicable Rules by 3 arbitrators appointed in accordance with the said Rules. The legal seat of arbitration shall be Geneva, Switzerland. Without prejudice to the legal seat of arbitration, the physical location of the arbitral hearing will be, at the election of the Beneficiary (or in the case of an anonymous Beneficiary, at the election of the Trustee) any one of New York, London, Paris or Geneva. The decisions and awards of the Arbitral Tribunal shall be final and binding, and, in accordance with Article 192 of the Swiss Federal Act on Private International Law, the parties to the arbitration explicitly agree to fully waive and exclude all challenges or actions for annulment against an award based on the grounds listed in Article 190 of the Swiss Federal Act on Private International Law with the Swiss Federal Supreme Court. The language of the arbitration shall be the English language. CFM shall be permitted to bring an arbitration under this clause to enforce the terms of these Implementing Measures or Conduct Policies against a Beneficiary that has accepted any benefits of the Conduct Policies or these Implementing Measures solely to enforce the requirements of paragraph 73 of these Implementing Measures, and only as to the specific claim being pursued.

77. The Arbitral Tribunal shall endeavour to render its award expeditiously.
78. Any party to an arbitration proceeding concerning the Conduct Policies or the Implementing Measures consents to consolidation in front of the first appointed Arbitral Tribunal of different arbitration proceedings when they concern the same underlying alleged conduct. Article 10 of the ICC Rules shall apply.
79. The Arbitral Tribunal will be able to issue an injunction order that would restrain CFM from continuing the practice or conduct at issue or compel compliance in some other form, provided that no such order shall require CFM to act or omit to act in any manner that is inconsistent with any legal or regulatory obligation or directive imposed upon it.



80. The Arbitral Tribunal will also be able to award compensatory damages and contractual penalties, as set out below in Section XIII.
81. The Arbitral Tribunal's injunction order and/or award can be enforced in any court with jurisdiction over the respondent with accompanying legal consequences for non-compliance.
82. The Arbitral Tribunal will have the power to order the losing party to bear the reasonable attorney's fees, costs and related expenses of the prevailing party as well as the cost of the arbitration process (arbitrators' and advisors' fees and costs) or to allocate the reasonable attorney's fees, costs and related expenses in accordance with its rules.
83. No claim shall or may be raised before the Arbitral Tribunal for any act or omission with respect to the subject matter covered by the Conduct Policies or these Implementing Measures that occurred prior to the date of entry into force of the Conduct Policies and Implementing Measures. No claim for any act or omission with respect to the subject matter covered by the Conduct Policies or these Implementing Measures may be brought following expiry of these Implementing Measures.
84. The arbitration clause in this Section X and the procedural aspects of any arbitral proceedings conducted under this Section X shall be governed by Swiss law (without prejudice to the application of French law as substantive governing law of the Conduct Policies and the Implementing Measures as provided for in paragraph 99 below).

## **XI. CFM LIAISON OFFICER**

85. A Liaison Officer will be appointed to receive and address questions or concerns Beneficiaries may have with respect to CFM's Implementing Measures.
  - (a) Any Beneficiary will be able to bring information to the attention of the Liaison Officer with the request to investigate a concern and find an amicable solution.
  - (b) The Liaison Officer will be entrusted with the task of seeking to promptly and efficiently answer questions and address the concerns raised on a without prejudice basis.
  - (c) The Liaison Officer will have the ability to receive information that will enable him/her to answer customer questions or address customer's concerns, directly or by communication with other CFM organizations.
  - (d) The Liaison Officer will have a dedicated, full time responsibility to answer customer questions and address customer concerns as his/her highest priority.



- (e) The Liaison Officer will coordinate to obtain information necessary to answer questions and to address potential concerns raised by customers.
- (f) Where the Liaison Officer finds that further steps or improvements are justified, the Liaison Officer shall make the appropriate recommendation(s) to CFM. The Liaison Officer shall follow up with the Beneficiary.

## XII. TRUSTEE

- 86. CFM and IATA shall have appointed, or will soon appoint, an independent Trustee who is entrusted with the task of monitoring and enforcing compliance with the Conduct Policies, and receiving complaints from IATA, airline members of IATA or other Beneficiaries as specified in the following provisions.
- 87. Any Beneficiary will be able to bring alleged failures on CFM's part to comply with the Conduct Policies to the Trustee's attention, and may request the Trustee to take up the issue for resolution through amicable negotiations between the disputing parties. The contact details for the Trustee are available on CFM's website.
- 88. The Trustee will (i) at the time of appointment and throughout the term of its mandate, be impartial and independent of IATA, CFM and all Beneficiaries; (ii) possess the necessary (to be determined) qualifications, technical and regulatory expertise to carry out its mandate; and (iii) neither have nor become exposed to a Conflict of Interest.
- 89. The Trustee will be appointed for the term of the Conduct Policies and Implementing Measures as set forth in paragraph 68 above.
- 90. The costs relating to the Trustee shall be borne by CFM.
- 91. The duties and responsibilities of the Trustee with respect to Beneficiaries are:
  - (a) monitoring and enforcing compliance with the Conduct Policies, on the basis of complaints from Beneficiaries in relation to the application of the Conduct Policies and the Implementing Measures, and receiving and acting on complaints from IATA or other Beneficiaries, as set forth herein; the Trustee's work plan will detail the scope of the Trustee's activities, i.e. (i) the Trustee's means, frequency and method of reporting on complaints received and on the actions undertaken in relation to those complaints, (ii) the Trustee's review and assessment of the implementation of actions undertaken to address the complaints; (iii) the information obtained from CFM in relation to a complaint received; and (iv) the identity of advisors appointed to assist the Trustee. The work plan will also identify the categories of information that can be considered reasonably necessary for the Trustee to review compliance with the Conduct Policies and Implementing Measures.



(b) requesting and receiving from CFM, IATA, airline members of IATA and other Beneficiaries the information that is reasonably necessary to monitor the effective implementation of, and compliance with, the Conduct Policies by CFM. The Trustee may not disclose such information;

(c) if the Trustee finds that CFM did not comply with the Conduct Policies, the Trustee promptly reports such noncompliance in writing to IATA and CFM and may propose to CFM measures that the Trustee would consider appropriate to ensure CFM's compliance;

(d) if requested by a Beneficiary, initiating arbitration proceedings as set forth in Section X of these Implementing Measures on behalf of any of IATA, an airline member of IATA or any other Beneficiary. When the Beneficiary deems it necessary to remain anonymous, the Trustee shall bring such arbitrations without disclosing the identity of the Beneficiary unless the Trustee considers it would be unjustified or unreasonable to bring such arbitration on an anonymous basis. If the Trustee considers it would be unreasonable or unjustified to bring such arbitration on an anonymous basis, it shall not disclose the identity of the Beneficiary without the Beneficiary's prior written consent, and the Beneficiary shall retain the right to proceed to arbitration independently. When the Trustee brings an arbitration on behalf of an anonymous Beneficiary, such Beneficiary shall not be entitled to, and the Trustee shall not be permitted to seek (nor the Arbitral Tribunal be permitted to grant) actual damages or contractual penalties, but shall be entitled to recover costs awarded in its favour in the award of the Arbitral Tribunal, in accordance with paragraph 82 of the Implementing Measures. Subject to complying with the applicable confidentiality obligations, the Trustee, when acting on behalf of IATA, airline members of IATA or other Beneficiaries in the arbitration proceeding, will be entitled to use the information it receives pursuant to the Conduct Policies and the Implementing Measures.

(e) in connection with a particular dispute and at the expense of the parties concerned (i.e., CFM and the relevant Beneficiary), the Trustee may appoint advisors (in particular for legal or technical advice), subject to the parties' approval (this approval not to be unreasonably withheld or delayed) if the Trustee considers the appointment of such advisors necessary or appropriate for the performance of its duties and obligations, provided that any fees and other expenses incurred by the Trustee are reasonable. Only the Trustee will be entitled to issue instructions to the advisors.

92. Beneficiaries may share confidential and proprietary information concerning CFM with the Trustee. The Trustee may not disclose that information.

### **XIII. DAMAGES AND CONTRACTUAL PENALTIES**

93. The Arbitral Tribunal set forth in Section X shall be entitled to award predetermined contractual penalties for the violation of Conduct Policies and these Implementing

Measures provisions. Contractual penalties will be awarded to IATA and airlines (to the exclusion of other Beneficiaries) that successfully establish a violation in arbitration, according to the category of violation as set forth in Annex A:

- (a) USD 150,000 for Level 1 violations,
- (b) USD 1 million for Level 2 violations, and
- (c) USD 2 million for Level 3 violations.

Failure to comply with other provisions of the Conduct Policies or these Implementing Measures is subject only to the order of corrective action by an Arbitral Tribunal (Level C). If following the issuance of a corrective action order by an Arbitral Tribunal, a Beneficiary brings an arbitration alleging CFM's failure to comply with the corrective action ordered, and the Arbitral Tribunal finds a failure on the part of CFM to comply with the order, the Arbitral Tribunal may award a contractual penalty of USD 300,000.

For the avoidance of doubt, the above-mentioned penalties and orders for corrective action can only be awarded or ordered, respectively, in the event that CFM fails to address a concern or complaint raised through amicable resolution, and the Arbitral Tribunal establishes a violation of the Conduct Policies or the Implementing Measures.

- 94. The contractual penalties would be escalated by USD 150,000 (Level 1), USD 1 million (Level 2), or USD 2 million (Level 3), respectively, for each subsequent violation of the same Conduct Policy.
- 95. Total contractual penalties are capped at USD 150 million over the 7-year term of the Implementing Measures.
- 96. The Arbitral Tribunal may only award a contractual penalty for a violation of a single instance of conduct to the first claimant (other claimants will only be eligible to claim actual damages for such instance) or collectively to the claimants in case multiple parties initiate a single arbitration proceeding (the amount of the penalty will be shared out among them).

For the avoidance of doubt, nothing in this provision limits the Arbitral Tribunal's authority to award contractual penalties for subsequent conduct violating the same provision, in accordance with paragraph 94.

- 97. Contractual penalties awarded to a claimant shall not be deducted from any actual damages claimed by such claimant for the same breach.
- 98. Total actual damages are capped at USD 300 million over the 7-year term of these Implementing Measures. Any monetary damages awarded to IATA by an Arbitral Tribunal constituted under the terms of a settlement agreement between IATA and CFM shall be counted towards this cap.

#### **XIV. CHOICE OF LAW**

99. The Conduct Policies and the Implementing Measures shall be governed by, and construed and interpreted in accordance with the laws of France without giving effect to principles of conflicts of laws that would compel the application of the laws of another jurisdiction.

#### **XV. ENTRY INTO FORCE**

100. The Conduct Policies and the Implementing Measures will enter into force on February 28, 2019, unless the Settlement Agreement enters into force after September 3, 2018, in which case the implementation period will be extended with one day for every day that the Settlement Agreement has not entered into force after September 3, 2018.
101. Should the European Commission formally open proceedings in case AT.40332 or in the event that either contractual penalties or actual damages awarded by the Arbitral Tribunal exceed the caps identified in paragraphs 95 and 98, each of IATA and CFM will have the right to terminate these Implementing Measures and the Conduct Policies with immediate effect. In the case of CFM, CFM shall terminate these Implementing Measures and Conduct Policies by providing written notice of the termination to IATA, and issuing an announcement concerning the same.

#### **XVI. GENERAL PROVISIONS**

102. CFM is a beneficiary of these Implementing Measures and has enforcement rights in relation to the provisions of the Implementing Measures against IATA. CFM is also a beneficiary of these Implementing Measures and has enforcement rights in relation to the provisions of the Implementing Measures against other Beneficiaries but only with respect to paragraph 73 of the Implementing Measures.
103. Neither CFM nor IATA shall be liable for any failure or delay in performance of its obligations hereunder if such failure or delay is due to or caused by any event, condition or circumstance that is beyond the reasonable control of the party affected, was not created by the party affected, and, despite all reasonable attempts by the affected party to mitigate, suspend or terminate such event, condition or circumstance, affects or prevents the performance by such affected party of any of its obligations under the Conduct Policies or the Implementing Measures, either in whole or in part ("Event of Force Majeure"); provided that, if an Event of Force Majeure exists, the affected party



shall continue to perform such obligations under the Conduct Policies and the Implementing Measures that it is still capable of reasonably performing despite the existence of the Event of Force Majeure. The affected party shall endeavor to give reasonable notice to the other party of any Event of Force Majeure.

104. The following provisions of the French Civil Code (Code civil) are expressly and irrevocably waived and shall not be applicable to the Conduct Policies and the Implementing Measures (nor to any agreement or document entered into by all or some of the Parties in connection with the Conduct Policies or the Implementing Measures):

article 1186 para. 2 and 3 of the Code civil (regarding the right to claim that a contract has lapsed as a result of any other contract contributing to the completion of the transactions contemplated hereunder having terminated, lapsed or being ineffective for any reason whatsoever),

article 1195 of the Code civil (regarding the occurrence of unforeseen circumstances referred to in such article and each party agrees to assume any risk which may arise from any of such unforeseeable circumstances), and

article 1226 of the Code civil (regarding the right for a creditor to terminate a contract at its own risk), and accordingly no termination, lapse or variation of the Conduct Policies or the Implementing Measures (or of any agreement or document entered into in connection with this Agreement) shall be permitted on the grounds of such provisions of the Code civil.

105. The principles of the Conduct Policies override any contrary interpretation of any existing agreement between CFM and any Beneficiary or preexisting policy applied by CFM in relation to the subject matter of the Conduct Policies.

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