

## AACC STANDARD TERMS AND CONDITIONS

### 1. ACCEPTANCE

This Purchase Order (PO) contains the entirety of the Terms and Conditions of AACC offer. Neither AACC nor Seller ("Seller") shall be bound by oral or written agreements not expressly included in this PO. Acceptance of the PO is expressly limited to and made conditional upon the exclusivity of the Terms and Conditions and is expressly made conditional upon Seller's assent to terms and conditions which differ from or are additional to those in Seller's offer. This PO may be amended and altered only by a writing signed by authorized representatives of both Seller and AACC expressly referencing the terms or conditions being modified, and purporting to constitute an amendment to this PO.

### 2. SCOPE

These Terms and Conditions, as may be amended from time to time, apply to the purchase by AACC of all Products and/or services ("Product") from Seller as described on the face of the PO or other documents referenced on the face of such PO. The term Product throughout these Terms and Conditions includes without limitation, raw materials, supplies, components, tooling equipment and all services. No PO is valid unless issued by AACC on its official, electronic or otherwise generated, PO to the Seller. If there is an existing agreement executed by both AACC and Seller, the terms and conditions of the executed agreement will prevail over the Terms hereunder.

### 3. PRICING, RISK OF LOSS

All prices payable by AACC for the Product are stated in the PO and include the cost of packaging and delivery and shall be on the delivery term specified in the PO to the specified destination. Unless otherwise specified in this PO, title to the Product covered by this PO and all risk of loss or damage to such Product shipped shall be in Seller, irrespective of FOB or other delivery terms, and shall remain in the Seller until the Product have been delivered to AACC's applicable facility and have been accepted at that facility.

### 4. QUALITY

Seller shall meet all quality requirements of AACC and all quality requirements of AACC's Customers, including, but not limited to, all applicable plans, specifications and other contract descriptions, as set forth on the face of the PO. The quality of the Product shall be subject to the satisfaction of AACC, who shall be entitled to reject non-conforming Product. No such inspection, testing or inquiry shall be deemed to be or result in any variation of any of the Seller's obligations or a waiver of AACC's rights.

### 5. SELLER OBLIGATIONS

- 5.1 Seller has the obligation to inform AACC of after-sales Product non-conformances which could result to Product investigation and recalls.
- 5.2 For subcontracted work: If, during inspection or subsequent operations, it is found that non-conformances or parts are required outside of sub-contracted work scope, the Seller will cease all work and await AACC's instructions or disposition.
- 5.3 Seller has the obligation to inform AACC regarding change in product processing due to upgrade in technology, manufacturing facility location, and obtainment of organizational approvals.
- 5.4 The Seller shall not assign, transfer or otherwise dispose of any rights or obligations to any third party without the prior written consent of AACC. All rights and obligations shall inure to the benefit of and be binding on any permitted assignee or successor of each Party.



## 6. EXPORT CONTROL

- 6.1** The External Provider (OEM, Supplier or Technical Partner etc.) represents and warrants that it will comply with all applicable import and export control laws and regulations (including, if applicable, the US export control laws and regulations referred to in clause 6.2.2 below). In fulfilling the Order the External Provider will provide all information about the Supplies, including where relevant information regarding constituents parts thereof, that may be necessary for AACC's compliance with all applicable import and export control laws and regulations.
- 6.2** If any of the hardware, technical data, software and/or technical assistance, including any constituent part thereof, to be provided by or through the External Provider under the Order are controlled under the ITAR or EAR, the External Provider shall:
- 6.2.1** Notify AACC in writing at the time the Order is accepted;
- 6.2.2** Comply with all applicable US export control laws and regulations, including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751 et seq., the ITAR, 22 C.F.R. 120 et seq., the Export Administration Act, 50 U.S.C. app. 2401-2420, and the EAR, 15 C.F.R. 730-774;
- 6.2.3** Immediately after the Order is accepted consult with AACC and all other relevant third parties about the relevant authorizations required from the appropriate US authority/authorities and request from AACC and such relevant third parties information necessary to make the External Provider's authorization request complete and accurate. The details will include, without limitation, full details of end use, end user(s), intermediate consignees and any other requirements such as nationality, location or pre-existing company organization authorizations which may be applicable;
- 6.2.4** Obtain all required export licenses, agreements and other authorizations necessary to ensure delivery of the Supplies to AACC in accordance with the delivery dates required under the Order (time being of the essence);
- 6.2.5** In addition to the notification at 6.2.1 above, provide the following information and documentation in writing at the time the Order is accepted: (a) a description of any and all ITAR/EAR controlled material contained in or as part of the Supplies; (b) the name and address of the US exporter and/or manufacturer of such ITAR/EAR controlled material; (c) the part reference number for the ITAR/EAR controlled material; and (d) the ITAR US Munitions List category and paragraph number (and any special designation as Significant Military Equipment or Major Defense Equipment) or, as the case may be, EAR Commerce Control List Export Control Classification Number (or other EAR designation);
- 6.2.6** Provide the following further information and documentation in writing at the time the Order is accepted, if already secured or, if not, as soon as possible upon being secured: (e) details of the relevant license, agreement or other authorization (including details of any exemptions or exceptions) such details to include the reference numbers and dates; and (f) full copies of such licenses, agreements or other authorizations including any correspondence with the relevant US authority/authorities consenting to or giving guidance on the use of exemptions or exceptions or listing provisos.
- 6.3** The External Provider shall ensure that when describing the ITAR/EAR controlled material as part of clause 6.2.5, such description shall not in itself constitute an authorized export, re-export or re-transfer of such ITAR/EAR controlled material.
- 6.4** The External Provider hereby represents, warrants and undertakes that there is no other ITAR/EAR controlled material contained in or as part of the Supplies beyond what is notified and described by the Supplier to AACC in accordance with this clause.

- 6.5** Notwithstanding clause 19 (Force Majeure), copies of the licenses, agreements or other authorizations required under clause 6.2.6(f) must be provided no later than thirty (30) days prior to the first agreed scheduled delivery date of the Supplies. Any commercially sensitive information contained within licenses or agreements may be deleted providing it does not prevent identification of any relevant constraint; any provisos and conditions; the end users or the parties and/or consignees.
- 6.6** ITAR Delivery. Unless the applicable regulations (i.e., 22 C.F.R. 123.9) have been revised to require otherwise, for each ITAR controlled item or document being delivered the following statement shall be included as an integral part of the bill of lading, air waybill, or other shipping document, the purchase documentation or invoice, and in the case of ITAR Technical Data, on the document itself:
- 6.6.1** In respect of ITAR Hardware, “These commodities are authorized by the U.S. Government for export only to [country of ultimate destination] for use by [end user] under [license or other approval number or exemption citation]. They may not be resold, diverted, transferred, or otherwise be disposed of, to any other country or to any person other than the authorized end-user or consignee(s), either in their original form or after being incorporated into other end-items, without first obtaining approval from the U.S. Department of State or use of an applicable exemption.”; and
- 6.6.2** In respect of ITAR Technical Data, “EXPORT CONTROLLED DATA: This document contains technical information whose export is governed by the U.S. International Traffic in Arms Regulations (ITAR). These commodities are authorized by the U.S. Government for export only to [country of ultimate destination] for use by [end user] under [license or other approval number or exemption citation]. They may not be resold, diverted, transferred, or otherwise be disposed of, to any other country or to any person other than the authorized end-user or consignee(s), either in their original form or after being incorporated into other end-items, without first obtaining approval from the U.S. Department of State or use of an applicable exemption”.
- 6.7** EAR Delivery. Unless the applicable regulations (i.e., 15 C.F.R. 758.6) have been revised to require otherwise, for each EAR controlled item or document being delivered the following Destination Control Statement shall be included as an integral part of the invoice and bill of lading, air waybill, or other export control document that accompanies the shipment, and the document itself in the case of EAR Technology: “These commodities, technology, or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.” In addition, the license number(s) for each applicable EAR or ITAR license and the ECCN for each “600 Series” item being exported must be included.
- 6.8** Any outer package containing the controlled material should be marked/labelled with an Export Control statement as described in 6.5 and 6.6 above as appropriate to the nature, size, packaging, etc. of the item.
- 6.9** Where practical, the External Provider shall segregate deliveries of ITAR or EAR controlled material from other deliveries, and shall not mix ITAR-controlled items, data and services with EAR-controlled items, data and services on the same licenses, agreements or authorizations.
- 6.10** Without limiting the foregoing, the External Provider shall only use ITAR Technical Data received from AACC in the performance of the work required to deliver the Order, and shall not transfer or otherwise provide access to any ITAR or EAR controlled item, data or services, to include transfer to a person (including lower-tier sub-contractors within the same country) who is not a “U.S. Person” as defined in the ITAR (22 C.F.R. 120.15), without the authority of a US Government export license, agreement, or other authorization, such as an applicable license exemption or exception. The External Provider will strictly comply with the conditions in any such approval and in the export license or other Government authorization for such disclosure. The restrictions on the transfer of export controlled data apply equally to both data furnished by AACC and to any such data incorporated in documents, software or hardware generated by the External

Provider. Any rights in the data may not be acquired by the External Provider unless expressly authorized pursuant to an export license, export agreement or otherwise provided in the ITAR. Additionally, no disclosure of data furnished by AACC can be made unless and until AACC has considered the request and provided its written approval through contractually authorized channels.

- 6.11** The External Provider hereby authorizes AACC to disclose any and all confidential information belonging to the External Provider to Government Authorities with jurisdiction over such confidential information as may be reasonably necessary for the purpose of disclosing, resolving or remediating any violation or potential violation of applicable export control laws or regulations.
- 6.12** The External Provider shall immediately notify AACC if the External Provider is or becomes identified either individually or collectively on any list of denied, debarred, embargoed, blocked, prohibited, specially designated, sanctioned or otherwise ineligible parties maintained by any government or international organization or, becomes ineligible to contract with the US Government, or if the External Provider's export privileges are otherwise denied, suspended or revoked in whole or in part by any Government entity or agency.
- 6.13** If engaged in the business of either exporting or manufacturing (whether exporting or not) US defense articles or defense services, the External Provider represents and warrants that it maintains an effective export/import compliance program in accordance with the ITAR and, if located in the US, that it is registered with the US Department of State as required by the ITAR.
- 6.14** If engaged in brokering activities within the meaning of the ITAR (22 C.F.R. 129), the External Provider represents and warrants that it is registered with the US Department of State as required by the ITAR and has obtained any necessary approval with respect to the Supplies provided in the Order.
- 6.15** If US defense articles or defense services subject to ITAR form a part of the Order, the External Provider recognizes and accepts that the External Provider and AACC have disclosure requirements when making applications for the export or re-export of US defense articles or defense services valued in an amount of \$500,000 or more, which disclosure requirements relate to the payment of any political contribution, fee or commission, directly or indirectly, whether in cash or in kind, to or at the direction of any person in order to solicit, promote or otherwise to secure the Order or any related Orders. In this context, when requested to do so by AACC, the External Provider shall make a written certification to AACC in a timely manner and not later than 20 days after receipt of such request regarding:
- 6.15.1** Whether in relation to the Order or any related Orders the External Provider or its vendors (as defined in 22 C.F.R. 130.8) have made, or offered or agreed to make: (i) any political contribution, including any loan, gift, donation or other payment of \$1,000 or more to or for the benefit of, or at the direction of, any foreign candidate, committee, political party, political faction, or government or governmental subdivision, or any individual elected, appointed or otherwise designated as an employee or officer thereof; or (ii) any fee or commission, including any loan, gift, donation or other payment of \$1,000 or more; and
- 6.15.2** If so, the External Provider shall identify, as provided in 22 C.F.R. 130.12: (i) the amount of each political contribution paid, or offered or agreed to be paid, or the amount of each fee or commission paid, or offered or agreed to be paid; (ii) whether each reported payment was in cash or in kind; (iii) the date or dates on which each reported amount was paid, or offered or agreed to be paid; (iv) the recipient of each such amount paid, or intended recipient if not yet paid, including name, nationality, address and principal place of business, employer and title, and relationship, if any, to the External Provider and to any purchaser or end-user; and (v) the person who paid, or offered or agreed to pay such amount; and

- 6.15.3** The External Provider shall notify AACC immediately if the circumstances described in clauses 6.15.1 or 6.15.2 change, and shall respond promptly to any written inquiry made by AACC seeking to confirm or update the External Provider’s certification as provided in this clause 6.15.
- 6.16** Where the External Provider is a signatory, sub-licensee or consignee under an export license, agreement or other authorization, the External Provider shall provide immediate written notification to AACC in the event of changed circumstances affecting the said license or agreement.
- 6.17** The External Provider shall return, or at AACC’s direction, destroy all of the technical data exported to the External Provider pursuant to the Order upon fulfilment of its terms and create and maintain the records required under the ITAR and EAR and all other applicable import and export control laws and regulations.
- 6.18** The External Provider shall, as soon as reasonably practicable, obtain written determination from the appropriate US authority/ authorities (in accordance with the Commodity Jurisdiction process as described in Section 120.4 of the ITAR) whether or not any part of the Supplies which the External Provider has not been able to conclusively determine is controlled under the ITAR or EAR is actually ITAR/EAR controlled material. Pending such a determination by the appropriate US authority/ authorities the External Provider shall be wholly responsible for the accuracy of any interim classification of the Potential ITAR Materiel and shall take into account the considerations and views of AACC (if any).
- 6.19** If title and/or control of the Supplies does not pass to AACC or its properly authorized agent(s) in a specific delivery, the External Provider shall ensure a written statement to the effect that title and/or control of the Supplies, including the ITAR/EAR controlled material contained in or as part of the Supplies, does not pass to AACC, certified by a properly authorized representative of the External Provider, is provided to AACC.
- For the purposes of this Clause 6.19 only, “title” shall mean legal title and “control” shall mean physical control on property owned and/or controlled by AACC.
- 6.20** Subject to Clause 6.21, but otherwise notwithstanding anything to the contrary in this Order, the External Provider hereby irrevocably and unconditionally agrees to defend, indemnify and hold harmless AACC and any of its agent(s) and/or customer(s) (together the “Indemnified Parties”), from time to time, in full and on demand and keep the same so indemnified from and against any and all claims, damages, actions, proceedings, losses, liabilities, penalties, fines, judgments, demands, costs and expenses (“Losses”), whether any of the foregoing are direct, indirect or consequential which are made, brought against, incurred or suffered by any of the Indemnified Parties from time to time, to the extent directly or indirectly, whether wholly or in part, resulting from any act or omission of the External Provider, or its subcontractors, agents or suppliers or in the performance of any of the External Provider’s obligations under this Clause 6.
- 6.21** The indemnity in Clause 6.20 shall not extend to any Losses in the event and to the extent that such losses are caused solely by:
- (a) The negligence of AACC; or
  - (b) A breach of any of the provisions of this Clause 6 by AACC.

## 7. RETENTION OF RECORDS

The Seller shall keep all records and documents related to purchased contract and purchased products.

## 8. RIGHT OF ACCESS

AACC or its representative or other authorities shall have the right during business hours after reasonable notice to the Seller to (i) inspect the Product wherever it is located; (ii) remove samples of the Product for inspection and testing, and (iii) obtain factory site and other information from the Seller to confirm conformance of the Product with agreed specifications. This access shall not be limited to the Seller but throughout the level of supply chain of the Seller.



## 9. AUTHORITY APPROVAL

The Seller, other than the standard or organizational approval, shall provide if requested by AACC, applicable authority approval regarding the purchased product.

## 10. RECORDS AND DOCUMENTATIONS

**10.1** The Seller must provide relevant documentation to AACC in relation to Product conformity including but not limited to Certificates of Conformance, Product manuals and instructions.

**10.2** The Seller, if required by AACC, shall provide documents regarding the work packages or any other document related to the production of the product like Inspection Data or Test Data Sheets, etc....

## 11. WARRANTY

The Seller warrants from the date of delivery or the appropriate period if contrary to applicable law that:

**11.1** All products strictly conform to the description contained in the PO, the quality and agreed specifications stated or incorporated and fit for the purpose intended and free of defect.

**11.2** Within the warranty period and the product malfunctions or defects has been found, the seller shall provide necessary actions or disposition to rectify the problem.

## 12. PACKAGING, SHIPPING

All Product covered by this PO, unless otherwise directed on the PO or in a writing signed by AACC's authorized representative shall be suitably marked and shipped in accordance with the requirements of common carriers and when a transportation costs are payable by AACC, in a manner to secure the lowest transportation cost. Seller shall pay all additional costs related to delivery of late shipments.

## 13. DELIVERY

The Seller shall make delivery to the specified destination by the due date stated on the PO or as otherwise agreed in writing by the Parties. Any such stated due date is of the essence and the Seller shall notify AACC promptly if it reasonably anticipates that delivery will not be on time. Seller shall incur all costs related to unauthorized early delivery. The Seller warrants that upon acceptance of delivery at the destination the Seller will convey to AACC good and marketable title to all Product free of any liens or encumbrances of any kind. AACC shall not be obliged to buy or pay for, and AACC or its designated representative may at any time after delivery reject, all or any part of a given delivery of Product that AACC or its designated representative determine does not conform with the PO or agreed specifications. The Seller shall retain or reacquire title to, and bear all risks of loss of such non-conforming Product and shall at its own expense be responsible for the return or disposal. Seller shall incur all costs related to AACC's receiving non-conforming Product which costs include but are not limited to handling, storing and testing.

## 14. TERMINATION BY AACC

AACC reserves the right to terminate all or any part of each PO without liability of AACC to the Seller, in the event the:

- a) Seller repudiates, breaches, or threatens to breach any of the terms of the PO including without limitation, Seller's warranties;
- b) Seller fails to perform or deliver Product as specified by AACC;
- c) Seller fails to provide AACC with adequate and reasonable assurances of Seller's ability to perform timely any of Seller's obligations under any PO, including without limitation, delivery of Product.



## 15. MISCELLANEOUS

- a) Failure of AACC to insist upon performance of any provisions of these Terms or to exercise any rights hereunder shall not be construed as a waiver or relinquishment of the future performance of any such term or condition or the future exercise of such right.
- b) Any enforceable term, provision, undertaking or restriction contained in these Terms are held by a court of competent jurisdiction to be invalid, void or unenforceable (in whole or in part), the remainder of the terms, provisions, undertakings and restrictions will remain in full force and effect and will in no way be affected, impaired or invalidated.
- c) Any notice or request required or permitted to be given in connection with these Terms shall be sent by mail, prepaid, return receipt requested, by fax, with receipt confirmed, or by express delivery service to the address set forth on the PO or to any other business address furnished in writing by the intended recipient to the sender. The date of notice shall be deemed to be the date on which such notice has been sent by fax, received by mail, or by express delivery service.

## 16. External Provider conformance to Product and/or Service:

The External Provider shall follow all requirements stated on the purchase order or repair order, drawing, data specifications and process instructions to ensure product, procedure, process and equipment conformity. Goods and all associated items supplied by the External Provider shall meet the requirements in the applicable technical specifications and documentations (drawings, specifications, standards, etc.). The External Provider shall be solely responsible for monitoring and ensuring that the supplied Goods adhere to any technical specifications regarding materials, methods, form, fitness and function. The External Provider's performance obligations under these Order Terms are non-delegable and shall apply irrespective of whether or not the Goods have been manufactured by External Provider or by any of External Provider's subcontractors.

All aircraft related material must conform to the Original Equipment Manufacturers (OEMs) specifications and/or tests. Certificate of Conformance issued by the External Provider must accompany the Goods for Aerospace and other parts unless AACC has notified the External Provider otherwise. Whenever AACC has not advised that a certificate of conformance is required, non-Aerospace parts can be accepted without a certificate of conformance. However such Goods must be of apparent, acceptable, and commercial quality.

## 17. External Provider adherence to ethical behavior:

AACC insists on compliance with legal and ethical standards by its External Provider. They are expected to conduct themselves with the highest standards of honesty, fairness, and personal integrity, with adherence to all applicable laws and avoidance of the perception or appearance of impropriety or conflict of interest. External Provider shall comply with all laws, regulations, and policies applicable to them in their dealings with AACC, including all applicable government contractual requirements which apply through contracts with AACC. These laws, rules, regulations, and policies include:

- i) Anti –discrimination and harassment ii) Human rights iii) Anti-corruption & bribery iv) Conflicts of interest v) Health and safety vi) Environment & vii) Codes of business conduct.

External Provider's business dealings with AACC should be strictly confidential, sacrosanct and uncompromising. No information should be shared with any person or third party during the course of their business transaction.

## 18. External Provider's compliance to Product Safety:

External Providers must be in compliance with Environmental, Health and Safety Laws. They must comply with all applicable international, national, state/provincial and local environmental, health & safety laws, regulations or directives. External Providers must represent and warrant the Goods any substance contained therein are not prohibited or restricted by, and are supplied in compliance with, any laws or regulations of any country or jurisdiction in the world.

External Providers will provide complete information regarding the chemical composition (substances, preparations, mixtures, alloys or goods) of any Goods supplied under this Purchase Order, including all safety information in order to protect human health or the environment.

If a Safety Data Sheet (SDS) is required for the material to be supplied, the External Provider shall include one copy of the SDS and it shall be identifiable and provided with each shipment of the Goods furnished under this purchase order.

#### **19. External Provider's compliance to a Human Factors Training Program:**

AACC expects External Providers (OEMs, Suppliers and Technical Partners) to have an established Human Factors Training Program for activities related to Aircraft Maintenance and associated parts that are used by AACC. AACC leaves the selection of the Human Factors Training Program selection to the discretion of the External Provider but any Human Factors Training Program should have a similar content to the FAA recommended program and reflect the FAA guidance and structure. Between the AACC Terms and Conditions and the AACC External Providers (OEMs, Suppliers and Technical Partners) Evaluation Questionnaire AACC needs to cover the following:

- a) Human Factors.** Human factors is anything that affects human performance. More formally, human factors entails a multidisciplinary effort to generate and compile information about human capabilities and limitations, and apply that information to equipment, systems, facilities, procedures, jobs, environments, training, staffing, and personnel management for safe, comfortable, and effective human performance.
- b) Effective Training.** Effective training is the basis for a successful maintenance and inspection program. Although many procedures for maintaining and inspecting aircraft may be similar, the equipment, procedures, and task documentation vary widely depending on the operator/applicant's specific program. Human factors training plays an essential part in identifying the differing areas between specific programs and is the most efficient manner of educating maintenance technicians and others of the importance of good human factors principles, practices, and techniques.

#### **20. External Provider prevention of unauthorized/counterfeit parts:**

External Provider shall ensure that suspect parts, fraudulent parts and counterfeit parts collectively referred to as "Unauthorized Parts" are not contained in Goods delivered to AACC through the implementation of policies that include prevention, detection and risk mitigation methods to protect against the use of unauthorized parts. In the event an External Provider becomes aware or suspects that it has furnished unauthorized parts, it shall immediately notify AACC. External Providers shall promptly investigate, analyze and report in writing to AACC whether such unauthorized parts should be replaced with genuine parts conforming to the requirement of the order, or whether an alternative solution is recommended to meet the Order requirements at External Provider's expense. The parties shall then agree upon the appropriate course of action.

#### **21. AACC Contractual Flow-down to External Provider:**

Due to the nature of some AACC Contracts with Customers it may be necessary for AACC to flow-down Contractual requirements to External Providers. If this is the case AACC will advise the External Provider of the requirements (e.g. Quality) and expect the External Provider to satisfy the requirements of the AACC Customer Purchase Order, this will include compliance with all applicable Export Control laws and regulations.

The External Provider shall ensure before any use of Sub-contractors that AACC has given approval and that any applicable Sub-contractors are flowed-down AACC Customer Contractual requirements. It is the responsibility of the External Provider to flow-down the AACC Customer Contractual requirements to their Sub-contractors and to ensure the applicable conditions are being satisfactorily achieved.