

These Supply Chain Standard Terms and Conditions for StandardAero or Associated Air Center ("Buyer") will be the only terms applicable to the provisioning of Services described in our Purchase Order and will comprise the entire agreement ("Agreement") for these Services.

1. DEFINITIONS. All capitalized terms shall have the meanings set forth below.

"**GOODS**" means the product supplied by Supplier.

"**ORDER**" means Buyer's request for an order which is subsequently issued on Buyer's purchase order if Supplier's quote is accepted by Buyer

"**SERVICES**" means labor, supervision, and related duties required by Buyer.

"**SUPPLIER**" means the party contracting to perform the work or delivery goods as applicable.

"**WORKS**" means the Goods and/or Services provided by Supplier.

2. TERMS AND CONDITIONS. These terms shall be applicable to all orders issued by Buyer. Supplier's written acknowledgement or Supplier's full or partial performance, whichever occurs first, will constitute acceptance of all terms and conditions contained herein. Any proposal for additional or different terms or any attempt by Supplier to vary in any degree any of the terms of Buyer's Order is hereby objected to and rejected. Buyer's offer shall be deemed accepted by Supplier without said additional or different terms.

3. COMPENSATION, PAYMENT TERMS AND SET-OFF. (a) Compensation. Supplier shall be compensated by Buyer in connection with each order in the manner and in the amount specified in on Buyer's purchase order. Buyer will accept price changes only with prior written consent. The Supplier represents and warrants that the requirements listed on an Order have been reviewed and that the compensation and the time for completion specified in the purchase order are sufficient to establish the nature and complexity of the work. Supplier expressly waives any claim or defense that late or incomplete performance of the Work arises out of a misapprehension or mistake regarding the scope, nature or complexity of the Work. **(b) Payment Terms.** Buyer's standard terms of settlement shall be issuance of payment of the full invoiced amount to Supplier within seventy-five (75) days unless otherwise specified in the purchase order. **(c) Set-off.** Buyer shall be entitled to set off any amount owing from Supplier to any of Buyer's affiliated companies against any amount payable under an Order.

4. TIME Unless otherwise specifically defined, the term "day" shall mean calendar day. By accepting an Order, Supplier confirms that the time set forth in the purchase order is a reasonable period for performance of the Work set forth in the Order.

5. WORK ON PREMISES; ACCESS TO NETWORK. Supplier's Work performed under any Order which involves operations by Supplier on the premises of Buyer shall be subject to the following additional terms: (a) Supplier shall comply with all of Buyer's safety and security procedures and shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such Work. Supplier shall maintain such public liability, property damage and employee's liability and compensation insurance as stipulated herein and upon Buyer's request provide Buyer proof of such insurance. (b) Supplier agrees that all of its employees whom may require access to Buyer's or its customer's premises or networks in order to perform Work pursuant to an Order shall execute a Consent Form for Buyer to perform a thorough Background Screening check, if required. It is Supplier's responsibility to obtain said form from Buyer and insure its employees complete said form. In the event Supplier is not able to complete Works due to the inability of its employees to comply with this provision, the agreement shall be terminated for default. (c) Supplier shall comply with any and all federal, state, or local anti-drug, alcohol abuse and/or drug testing statutes or regulations for any of its employees who may be covered by such statutes or regulations. Supplier shall have, retain, and be able to provide to Buyer, upon request, an approved drug and alcohol misuse prevention plan. (d) Supplier shall include this clause "Drug Testing and Security Checks" in any subcontract placed pursuant to a Buyer Order with a sub-StandardAero who will perform Work on Buyer's premises.

6. SECURITY AND CRISIS MANAGEMENT. The Supplier agrees to take all reasonable precautions to assure that Work carried on hereunder shall be protected against theft, destruction, or unauthorized disclosure. Supplier shall have and comply with a company security and crisis management policy. Upon Buyer's request, Supplier shall provide Buyer a copy thereof. Supplier shall revise and maintain the policy proactively, and as may be requested by Buyer, in anticipation of security and crisis risks relevant to Buyer's business.

Buyer reserves the right to inspect Supplier's policy and to conduct on-site audits of Supplier's facility and practices to determine whether Supplier's policy and Supplier's implementation of the policy are reasonably sufficient to protect Buyer's interests.

7. REPORTS; RECORDS. Supplier shall maintain complete and accurate records in connection with the Work required under any purchase order. All charges for Works will be substantiated by proper receipts, bills of lading, time or other similar records. Supplier shall render progress reports as often as reasonably requested by Buyer, pertaining to the Work performed hereunder, showing goods delivered and incorporated in the Project and time expended daily by each of its personnel for each component of various projects both periodically and cumulatively. Such reports shall be in a form which will enable Buyer to evaluate the progress made and the schedules to be met, and to keep a current account of time and monies expended upon each and every project.

8. INSURANCE. Supplier shall produce proof or evidence satisfactory to Buyer that the following insurance coverage is in place: General Commercial Liability in the amount no less than \$1,000,000.00 any one occurrence and in the aggregate for bodily injury and property damage. This General Commercial Liability Insurance coverage shall name Buyer as an additional insured and shall include endorsements for: Products and completed operation liability coverage; personal injury; contractual liability; and independent contractors' coverage. Workers' Compensation Insurance – At all times during the Agreement, Supplier will carry and maintain in full force and effect, Workman's' Compensation Insurance as required by applicable law covering all personnel engaged in furnishing of services under this Agreement including Employers Liability Insurance.

9. INDEMNIFICATION. General Indemnity. Supplier shall defend, indemnify and hold harmless Buyer and all of its directors, officers, employees, agents and representatives ("Indemnified Party") from and against all claims, losses, loss of use, damages, attorney's fees, actions, liability, demands, judgments, costs and expenses arising from Supplier's untrue representations, Supplier's negligent acts or omissions, or from Supplier's failure otherwise to comply with the terms of a purchase order. **Patent Indemnity.** Supplier shall indemnify and save Buyer and its customers harmless from and against any expense or liability, including costs, fees and damages, arising out of any claim, suit or proceeding that the manufacture or furnishing of Works under this purchase order, or the use of such Goods (without modification or further combination) or sales of such Goods constitutes infringement of any patent, trade secret or copyright. If an injunction should issue, Supplier shall procure for Buyer and its customers the rights to continue using said Goods, or modify them in a manner acceptable to Buyer so they become non-infringing, or with the written approval of Buyer, remove said Goods and refund the purchase price.

10. TERMINATION. For Convenience. Buyer shall have the right, at any time, upon written notice to Supplier, to terminate all or any Works required by Buyer. Upon receipt of notice to terminate, Supplier shall cease all work and shall turn over to Buyer all completed Work and work in process, including all designs, drawings, specifications, plans, lists, and other material required or produced in connection with such Work. Buyer shall reimburse Supplier for Work completed to date in accordance with the terms of the purchase order. In the event Buyer wrongfully terminates an order for default, in whole or in part, such termination becomes a termination for convenience under this clause.

For Default. Buyer may by written notice of default to Supplier (a) terminate the whole or any part of any Order in any one of the following circumstances: (i) if Supplier fails to perform within the time specified therein or any extension thereof; or (ii) if Supplier fails to perform any of the other provisions of these terms and conditions, or so fails to make progress as to endanger performance of any agreement in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) calendar days after receipt of Buyer's notice or such longer period as Buyer may authorize in writing; and (b) upon such termination Buyer may procure, upon such terms as it shall deem appropriate, supplies or Services similar to those terminated, in which case Supplier shall continue performance of such Order to the extent not terminated and shall be liable to Buyer for any excess costs for Buyer's procurement of such similar Goods or Services. As an alternate remedy, and in lieu of termination for default, Buyer, at its sole discretion may elect (1) to

extend the schedule and/or (2) to waive deficiencies in Supplier's performance, in which case an equitable reduction in the order price shall be negotiated. In the event Supplier for any reason anticipates difficulty in complying with the required schedule, or in meeting any of the other requirements of any Order, Supplier shall promptly notify Buyer in writing. The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under any Buyer agreement.

11. TAXES AND BENEFITS. The responsibility on which party shall pay taxes shall be listed on the purchase order. In the event Buyer has the authority to purchase tangible personal property without payment of tax at the time of purchase, Buyer shall advise Supplier in writing and Buyer agrees to maintain adequate records of all purchases and pay tax on all taxable items directly to the appropriate tax agency. Supplier acknowledges and agrees that it shall be the obligation of Supplier to report as income, and pay all taxes upon, all compensation received by Supplier pursuant to an Order and Supplier agrees to indemnify Buyer and hold it harmless to the extent of any obligation imposed on Buyer to pay any taxes or insurance, including without limitations, withholding taxes, social security, unemployment, or disability insurance, including the interest and penalties thereon, in connection with any payments made to Supplier by Buyer pursuant to an Order and for all Taxes imposed by any governmental authority with respect to any payment to be made by Buyer or any item to be delivered by Supplier to Buyer.

12. LABOR STANDARDS

(a) **U.S. Citizenship** Only U.S. Citizens, permanent resident aliens or those aliens authorized to be employed in the U.S. shall be permitted to work on Buyer's Orders. Supplier certifies to Buyer that it has verified that each individual assigned to work on any Order hereunder is legally entitled to work in the U.S. and has preserved such records as required by the Immigration and Naturalization Service. There may be jobs which require U.S. citizenship because of national security or exposure to classified information. In such cases, Buyer will separately identify each such job as requiring U.S. citizenship.

(b) **Labor Standards Act** By accepting any Order, Supplier represents that Works to be furnished hereunder, were or will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, and unless otherwise agreed in writing, Supplier shall insert a certificate on all invoices submitted in connection with any Order stating that Works covered by the invoice were produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, including section 12(a).

(c) **Nondiscrimination In Employment** Supplier will comply with Executive Order 11246 and the EEO clause as defined in 41 CFR 60-1.4(a) by not discriminating against any employee or applicant for employment because of race, religion, color, sex, age, or national origin. Supplier will also comply with the affirmative action clauses for veterans and handicapped workers as defined in 41 CFR 60-250 and 41 CFR 60-741 by not discriminating against any employee or applicant for employment because of physical or mental handicap or because he or she is a disabled veteran or veteran of the Vietnam War.

(d) **Child Labor; Indentured Service.** Supplier represents, warrants, certifies and covenants that no Goods supplied or Services provided under this agreement have been or will be produced or performed using forced, indentured or convict labor, or the labor of persons in violation of the minimum working age laws of the country of manufacture, or in violation of minimum wage, hour of service or overtime laws of the country of manufacture or in violation of minimum wage, hour of service or overtime laws of the country of the country in which the Goods will be produced or Services will be performed.

13. INTELLECTUAL PROPERTY. Except as specifically set forth in writing and signed by both Parties, Buyer shall retain control and ownership of all reports, analysis, inventions, designs and processes, or other intellectual property owned, controlled or possessed by Buyer prior to this purchase order and of all inventions, designs and processes, or other intellectual property, arising from the performance of Works.

14. ENVIRONMENTAL MATTERS

Hazardous Substances. Supplier warrants that, except as specified on the face of the purchase order, none of the chemical substances constituting or contained in any good(s) sold or otherwise transferred to Purchaser under this order are "hazardous substances" as defined in the Comprehensive, Environmental Response, Compensation and Liability Act ("CERCLA"), and Supplier agrees to supply Purchaser

with any and all required Material Data Safety Sheets.

Asbestos. Supplier agrees to provide goods and/or materials which are free of asbestos unless Supplier has notified Purchaser in advance and has obtained Purchaser's prior written consent to the use of asbestos. Supplier agrees to include this clause in any subcontracts issued hereunder. If Supplier intends to rely upon any drawing which requires or permits the use of asbestos, written notice to, and approval by the Purchaser must be obtained prior to such use.

Use of Cadmium. Unless specifically defined as a requirement by Purchaser's engineering drawings or specifications, the use of cadmium plating or nickel cadmium plating is strictly prohibited in the manufacture of any good or delivery of services under this order. The use of cadmium plating or nickel cadmium plating is strictly prohibited on all tooling, fixturing, and test equipment used for manufacturing, assembly, test, or material handling unless Supplier has notified Purchaser in advance and has obtained its prior written consent to such use. Approval shall not be granted where there is a potential for items containing cadmium to come into contact with items containing titanium.

Ozone Depleting Substances ("ODS's"). Supplier agrees to comply with the U.S. Clean Air Act Amendments of 1990 regarding warning statements on products manufactured with ODS's, products containing ODS's, and containers containing ODS's. The need for warning statements, the specific wording of statements, and the placement of statements shall be in accordance with requirements of the U.S. Environmental Protection Agency implementing regulations. Any usage of Class I ODS's is subject to evaluation and approval of Purchaser or the U.S. Government. For purchases of materials to be supplied to the U.S. Government, Supplier shall also comply with any labeling requirements arising under the Federal Acquisition Regulation ("FAR"). Supplier will eliminate the use of Class I ODS's which cannot be eliminated and will provide Purchaser with any requested information which may be required in order to complete the evaluation and approval of the continued usage.

Supplier represents and warrants that it will use best efforts to prevent and minimize accidental releases of hazardous substances or constituents to the environment, as well as prevent and minimize risk of endangerment to human health or the environment from any manufacturing process. Supplier represents and warrants that in the event of a release or spill, it will use best efforts to mitigate actual or potential impacts to the environment or human health.

Environmental Claims. Supplier agrees to indemnify, release, defend, and hold harmless Purchaser, its directors, officers, employees, agents, representatives, successors and assigns, whether acting in the course of their employment or otherwise, against any and all suits, actions, or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs, expenses, or liabilities resulting from: (1) death or injury to any person, including officers and employees of Supplier and those of Purchaser, arising out of or in any way connected with Supplier's failure to comply with this Article 18, (2) damage to any property, real or personal, including property of Supplier and that of Purchaser, arising out of or in any way connected with Supplier's failure to comply with this Article 18, (3) any and all pre-existing conditions of real or personal property of Supplier, or (4) any failure to comply with any federal (including FAR/DFAR clauses), state or local environmental, health, or safety requirements. Supplier agrees to include this clause in any subcontracts issued hereunder.

Material ownership. Supplier and Purchaser agree that at all times prior to delivery and acceptance by Purchaser of any goods, all raw materials, wastes and work-in-progress shall remain the property of Supplier, except as otherwise provided herein.

Waste Management. Supplier shall be directly and solely responsible for managing all wastes associated with processes it applies to perform work under this order. Supplier shall manage any and all such wastes in compliance with applicable federal, state and local laws and regulations.

Waste Disposal Certifications. Supplier agrees to generate and maintain detailed records certifying the property disposal of all wastes associated with its processes, including wastes generated from the remediation or cleanup of any releases, leaks, or spills. Such records will include the names and addresses of any treatment, storage or disposal facility receiving such wastes, the amount of waste received, and the dates of shipment and receipt. Supplier shall maintain all records relating to environmental compliance and waste disposal.

Notification of Significant Events. Supplier agrees to notify

Purchaser in writing within five days after learning of any significant event involving any of its manufacturing processes that may affect Supplier's ability to comply with its obligations under this purchase order, including but not limited to, any spill, leak or release to the environment which also requires notification to a state or federal agency, including, but not limited to: (a) the date of release; (b) the quantity and type of material released; (c) efforts to clean up the material released; and (d) efforts to mitigate impacts from the release.

Hazardous Material Identification. Supplier shall identify hazardous materials contained in goods, materials, and/or other items (hereafter "Items") delivered to Purchaser, provide Material Safety Data Sheets for such Items, and, where applicable, comply with the OSHA Hazard Communication Standard, 29 CFR 1910.1200 ("HAZCOM"). For each such Item, identification shall reference the stock or part number of the delivered item. Hazardous materials include, but are not limited to, materials embedded in a delivered Item in such a manner as to present a potential for personal injury or harm or property damage in the course of normal use, repair, accidents or disposal. All MSDS forms and hazard warning labels required under this section and HAZCOM shall be provided to Purchaser.

Supplier Competence. Supplier represents and warrants that it possesses the facilities skills, knowledge and expertise to handle and provide the goods and or services specified herein in a safe and responsible manner, and that all persons, including any subcontractors, involved in handling any materials processed or provided for under this purchase order will be shown any MSDS associated with such materials and be advised of its safe and proper use and handling.

15. GENERAL PROVISIONS.

(a) **Security Interests.** Supplier hereby waives represents and warrants that its Services or Goods provide will be free and clear of any and all security interests, liens, claims, charges and encumbrances of any nature whatsoever.

(b) **Confidentiality.** The Supplier agrees to treat as strictly confidential Buyer's information provided as a result of an Order. Such information shall not be disclosed to any other person or corporation, other than to employees of Supplier only as absolutely necessary, without the consent of Buyer. Supplier further agrees not to use Buyer's information to independently develop, reverse engineer or produce a product or service similar to or which imitates products or services which are the subject to Buyer's information.

(c) **Releases and Publicity.** No public release of information regarding this purchase order shall be made without the prior written approval of Buyer.

(d) **Compliance.** Supplier represents, warrants, certifies and covenants that it shall perform all Works required under this agreement in compliance with all applicable state and local laws, including, but not limited to environmental, health and safety laws and regulations. Supplier represents and warrants that it will use best efforts to prevent and minimize accidental releases of hazardous substances or constituents to the environment, as well as prevent and minimize risk of endangerment to human health or the environment from any manufacturing process. Supplier represents and warrants that in the event of a release or spill, it will use best efforts to mitigate actual or potential impacts to the environment or human health.

(e) **Independent Contractor.** It is understood that Supplier is an independent contractor of Buyer. Nothing in this agreement shall constitute Supplier an employee, partner, or agent of, or attorney for Buyer for any purpose. Nor is Supplier granted any right or authority to assume or to create any obligation or responsibility, whether express or implied, on behalf of or in the name of Buyer or to in any way bind Buyer. The Supplier shall not hold itself out as having any authority to bind Buyer.

(h) **Severability and Interpretation.** Headings in this agreement are for the purpose of convenience only and shall not be used in the interpretation of any part of this agreement. In this agreement, the use of the singular includes the plural and vice versa and the use of any one gender includes all genders. Each provision of this agreement is severable from the other. In the event that any such provision is declared by a court of competent jurisdiction to be unenforceable, the validity of the remainder of the agreement shall not be affected.

(i) **Governing Law.** This agreement shall be governed by the laws of the State of New York without reference to its conflict of laws provisions. The Parties hereby consent to the exclusive jurisdiction of the courts of New York.

(j) **Disputes.** If any dispute arises with respect to the execution or

interpretation of this Agreement, the parties shall attempt to settle their differences amicably. In the event the Parties fail to reach a mutual agreement, the dispute may be resolved by binding arbitration according to the Rules of Arbitration of the American Arbitration Association. Any arbitration shall occur in New York NY unless the parties agree otherwise.

(k) **Assignment.** This agreement may not be assigned or transferred to any person, firm, or corporation without the express, prior written consent of the other party, which consent will not be unreasonably withheld.

(l) **Force Majeure.** Neither party to this Agreement shall be liable for its failure to perform hereunder due to circumstances beyond its reasonable control, including but not limited to strike, riot, war, fire, act of God, accident, plant breakdown not caused by the fault or neglect of such party, compliance with any law, regulation or order, whether valid or invalid, of the United States of America or any other governmental body.

(m) **Limitation of Liability.** *In no event shall Buyer party be liable for any incidental, consequential, exemplary, special, or punitive damages or expenses or lost profits under or in connection with an Order.*

(n) **Entire Agreement.** These terms and conditions constitute the entire agreement between the Parties with regard to the subject matter herein and supersede all other contracts, agreements or understandings of the matters herein subject, to include the issuance of any agreement or invoicing terms provided by Supplier.