

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

ARTICLE 1 – DEFINITIONS

As used throughout this purchase order, the following terms shall have the meanings set forth below.

- (a) "**PURCHASER**" means the party contracting with Supplier for Works and identified as the purchasing entity on the face of the purchase order.
- (b) "**SUPPLIER**" means the party contracting to perform the work or delivery goods as applicable.
- (c) "**GOODS**" means the product supplied by Supplier under this purchase order, including without limitations all components, raw materials, and intermediate assemblies thereof.
- (d) "**SERVICES**" means labor, supervision, and related duties required by and listed in the purchase order.
- (e) "**WORKS**" means the Goods and/or Services listed in the purchase order.

ARTICLE 2 – TERMS AND CONDITIONS

(a) These terms shall be applicable to all purchase orders issued by the Purchaser. Either the Supplier's written acknowledgement or Supplier's full or partial performance under the purchase order, whichever occurs first, will constitute acceptance of all terms and conditions contained herein. Any acceptance of the purchase order is limited to acceptance of the express terms of the offer set forth in the purchase order. Any proposal for additional or different terms or any attempt by Supplier to vary in any degree any of the terms of this offer in Supplier's acceptance or acknowledgement is hereby objected to and rejected, but such proposal shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price, or delivery schedule of the Works but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by the Supplier without said additional or different terms. If Supplier's purchase order shall be deemed an acceptance of a prior offer by Supplier, such acceptance is limited to the express terms set forth in Supplier's purchase order.

(b) These terms and conditions may be invoked in a purchase agreement, between Purchaser and Supplier, against which Purchaser may place multiple purchase orders. Under such circumstances, each fully executed purchase order shall constitute a separate and distinct contract between the parties and these terms and conditions shall be in addition to those of such order, and shall be deemed incorporated in each such order. Regardless of whether a purchase order is issued in connection with a purchase agreement invoking these terms or independently of any purchase agreement, these terms and conditions shall supersede and replace all terms and conditions appearing or referred to on the face or on the reverse of any proposal, acknowledgement, or acceptance or any other communication issued by the Supplier in connection with such order.

ARTICLE 3 – COMPENSATION, PAYMENT TERMS AND SET-OFF

(a) **Compensation.** Supplier shall be compensated by Purchaser in connection with each purchase order in the manner and in the amount specified on the purchase order.

(b) **Standard Payment Terms.** Supplier shall submit bills to Purchaser weekly, or as otherwise agreed by Purchaser and Supplier in the purchase order, for the Works performed in the preceding week or other period. Purchaser'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. Settlement and invoicing may be paperless, and in a format acceptable to Purchaser. Supplier must provide banking information to establish electronic funds transfer for U.S. suppliers and wire transfer for non-U.S. suppliers.

(c) **Set-off.** Purchaser shall be entitled to set off any amount owing from Supplier to any of Purchaser's affiliated companies against any amount payable under this order.

ARTICLE 4 – TIME

Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, set forth in the purchase order for the completion of Work by the Supplier. Unless otherwise specifically defined, the term "day" shall mean calendar day. Time is of the essence. By executing the purchase order, the Supplier confirms that the Contract Time is a reasonable period for performance of the Work set forth in the purchase order. The Supplier shall begin on the date set forth in the purchase order and shall proceed expeditiously with adequate forces and shall achieve completion of the purchase order within the Contract Time.

ARTICLE 5 – PROVISIONS FOR GOODS (IF APPLICABLE)

(a) **Transportation.** Unless otherwise stipulated on the face of a Purchaser purchase order, Goods shall be shipped by Supplier F.O.B Unless otherwise stipulated on the face of this purchase order, Goods covered by this purchase order shall be shipped "F.O.B Supplier's Plant," as defined by the New York Uniform Commercial Code ("NYUCC"). If Goods are to be delivered "F.O.B. Destination," as defined by the NYUCC, Supplier must prepay transportation charges. Purchaser insures all Goods for risk of loss while such Goods are in transit. Therefore, Supplier shall not declare any insurance value on such Goods shipped via any carrier Purchaser's facility. Supplier shipments must comply with all DOT and IATA shipping regulations. Any fines and violations resulting from the Supplier's lack of adherence are solely the responsibility of the Supplier.

(b) **Packaging.** Packaging requirements are listed on the purchase order.

(c) **Delivery.** The Supplier shall perform the Works within the time provided within Purchaser's purchase order. In the event Supplier for any reason anticipates any difficulty in complying with the required delivery date, or in meeting any of the other requirements of this purchase order, Supplier shall promptly notify Purchaser in writing. In the event of non-delivery, breach, or any other default by Supplier, Purchaser's rights will be as specified in the New York Uniform Commercial Code ("NYUCC"). If Supplier does not comply with the stated delivery schedules, Purchaser may, in addition to any other right Purchaser may have, require the Supplier to make delivery by fastest way, with the full cost of such delivery absorbed by Supplier. Supplier shall immediately notify Purchaser in the event of any actual or anticipated difficulty in complying with the delivery date.

(d) **Anticipation of Delivery Schedule.** Unless otherwise agreed to in writing, Supplier shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet firm delivery schedules and those planned schedules that are within lead time.

(e) **Parts Compliance and Materials Certification.** By acceptance of purchase order, Supplier certifies that, except as specifically reported by Supplier to Purchaser in accordance with Purchaser's reporting requirements, Goods supplied shall strictly conform to all requirements of this purchase order and that objective evidence* of strict conformance with quality specifications is in place or on file as required by purchase order and available for examination by Purchaser.

(f) **Material Scheduling.** Upon Purchaser's request, Supplier shall work with Purchaser to implement pull production, bin stocking and/or kitting for hardware supplied by Supplier. Supplier shall provide commitments to Purchaser's schedule within 72 hours of a change in Purchaser's production schedule. If Supplier is unable to meet Purchaser's schedule, Supplier shall immediately notify Purchaser in advance for proper reconciliation.

ARTICLE 6 – REPORTS AND RECORDS

(a) **Reports.** The Supplier shall render progress reports as often as reasonably requested by Purchaser, 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 Purchaser 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.

(b) **Records.** Supplier shall maintain complete and accurate records on a job order basis in connection with the Work required under any purchase order and all charges for Works will be substantiated by proper receipts, bills of lading, time clock cards, time vouchers, or other similar records signed by employees doing Work under any purchase order. Records shall be maintained on-site (record retention) for all Works performed and sold to Purchaser for a minimum of seven (7) years.

ARTICLE 7 – QUALITY STANDARDS

(a) The Supplier shall implement and maintain a quality program acceptable to Purchaser for the goods delivered and services rendered under this purchase order. Supplier shall submit to Purchaser, for Purchaser's approval, the quality program documentation, including Supplier's procedures, instructions, practices, processes and other related documents. Supplier will have the continuing obligation to immediately notify Purchaser of change or deviation from Supplier's approved quality program and to notify Purchaser of any goods delivered or services rendered during the period of such change or deviation.

(b) Purchaser, its customers and its higher-level contractors, including government agencies, will have the right to inspect Seller's manufacturing facilities, processes, inspection systems, quality assurance systems, data, and equipment as may be related to the goods furnished or services rendered under this purchase order.

(c) Upon request, Supplier shall, where applicable, submit test specimens (e.g., production method, number, storage conditions) for design approval, inspection, investigation or auditing.

(d) Seller must have prior approval of Buyer for any change to the product configuration, including engineering design and fabrication processes for products covered by this order or any previous orders.

(e) Seller shall notify Buyer within twenty-four (24) hours of the discovery of any defect in the goods furnished or services rendered under this purchase order or any previous purchase orders.

(f) Supplier shall ensure that all of its subcontractors are provided with any and all applicable requirements, specifications and standards required by Purchaser, its Customers or regulatory authorities, with respect to the goods or services under this purchase order.

ARTICLE 8 – INSPECTION

(a) All Work, including, but not limited to, engineering and design/development work, shall strictly comply with all applicable specifications and shall be subject to inspection and test by the Purchaser and its customer at all times and places. If any inspection or test is made on the premises of Purchaser or its supplier, Purchaser, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the



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(SA Rev 0112)



performance of their duties. All inspections and tests on the premises of Purchaser or its supplier shall be performed in such a manner as not to unduly delay the Work.

(b) Purchaser's failure to inspect the Work shall neither relieve Supplier from responsibility for such Work as is not in accordance with the order requirements nor impose liabilities on Purchaser therefore. The inspection or test of any Services by Purchaser shall not relieve Supplier from any responsibility regarding defects or other failures to meet purchase order requirements, which may be discovered subsequently.

(c) For engine components and other ancillary components, Supplier shall provide and maintain quality control, inspection and process control systems acceptable to Purchaser and its customer. Records of all inspections shall be kept complete and available to Purchaser and its customers.

ARTICLE 9 – WORK ON PREMISES; ACCESS TO NETWORK (IF APPLICABLE)

If Supplier's work under this purchase order involves operations by Supplier on the premises of Purchaser or one of its customers, then:

(a) Supplier shall comply with all of Purchaser'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 will protect Purchaser from said risks and from any claims under any applicable workers' compensation and occupational disease acts, and upon Purchaser's request provide Purchaser proof of such insurance.

(b) Supplier agrees that all of its employees whom may require access to Purchaser's or its customer's premises or networks in order to perform work pursuant to this order shall execute a Consent Form for Purchaser to perform a thorough Background Screening check. It is Supplier's responsibility to obtain said form from Purchaser and insure its employees complete said form. In the event the Supplier is not able to complete the Works due to the inability of its employees to comply with this provision, the purchase order 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 Purchaser, 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 Purchaser order with a sub-Purchaser who will perform work on Purchaser's premises.

ARTICLE 10 – WARRANTY

Supplier agrees to undertake the performance of all Works called for in any purchase order, to pursue the same diligently, and to complete the same within any time limit specified in the order. With respect to each purchase order, the Works contracted for shall be as described in the order, and in any plans, specifications, general conditions, or other papers attached to or referred to in the purchase order, which together with these terms and conditions are hereafter called the "Contract Papers," and said Works shall include the furnishing of all materials, tools, equipment, labor, superintendence and facilities necessary therefore, excepting however, any items which are to be specifically furnished or performed by Purchaser as provided in the Contract Papers. Before starting the Works, and each portion thereof, the Supplier shall carefully study the Contract Papers and existing field conditions. Errors, omissions and/or inconsistencies shall be reported immediately to Purchaser verbally and in writing.

The Supplier warrants to the Purchaser that the Works will be of best quality and new, unless otherwise permitted by the purchase order, and that the Works will be free of defects and in strict compliance with the requirements of the Contract Papers for a period of twelve (12) months, unless otherwise specified in the purchase order. In the event of a warranty defect, the Supplier shall, at Purchaser's discretion, repair or replace the defective Works at no cost to the Purchaser.

Supplier agrees that, notwithstanding the provisions of any warranties above, expressed or otherwise, negotiated with respect to any Goods purchased from Supplier by Purchaser or Purchaser's customers, Supplier shall reimburse for labor and material cost including Overhead and General and Administrative (G&A) expense reasonably incurred by Purchaser in connection with: (a) The unscheduled removal and/or replacement of such Goods or components thereof from a higher level assemble due to failure of such Goods to conform to requirements of this purchase order or defective material, workmanship, or design; or (b) Any such removal of said Goods at Supplier's request; or (c) Any such removal of said Goods required due to any previously required changes to said Goods which Supplier has failed to incorporate. This remedy is not exclusive and shall not be in lieu of any other remedy available at law, in equity or under this purchase order.

ARTICLE 11 – INSURANCE

Supplier shall provide, pay for, and maintain in full force and effect those insurance outlined here (as applicable) for coverages at not less than the prescribed minimum limits of liability, covering Supplier's activities, those of any and all subcontractors, or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

Aviation Liability including Premises, Products, Completed Operations and Contractual Liability in an amount of not less than \$50,000,000 per occurrence/annual aggregate for products/completed operations.

Commercial General Liability:	\$1,000,000 each occurrence
	\$2,000,000 general aggregate with dedicated limits per project site.
	\$2,000,000 products and completed operations aggregate.
Automobile Liability:	\$1,000,000 combined single limit each accident
Workers' Compensation:	Statutory Limit
Employer's Liability:	\$1,000,000 bodily injury for each accident
Umbrella/Excess Liability:	\$5,000,000 combined single limit and annual aggregate
Contractor's Pollution Liability:	\$5,000,000 each occurrence and annual aggregate
Professional Liability:	\$1,000,000 each claim and annual aggregate

Prior to commencement of the Work, Supplier will provide to Purchaser a certificate of insurance certifying that at least the minimum coverages required here are in effect and specifying that the liability coverages are written on an occurrence form and that the coverages will not be canceled, nonrenewed, or materially changed by endorsement or through issuance of other policy(ies) of insurance without 60 days advance written notice to Purchaser. Failure of Purchaser to demand such certificate will not be construed as a waiver of the Supplier's obligation to maintain such insurance. Purchaser will have the right of prohibiting the Supplier or any subcontractor from entering the project site until such certificate has been placed in complete compliance with these requirements and approved by Purchaser. If Supplier fails to maintain the insurance as set forth here, Purchaser will have the right to purchase said insurance at the Supplier's expense.

All coverages required of Supplier will be primary over any insurance or self-insurance program carried by Buyer.

All policy(ies), with the exception of professional liability (if applicable) and worker's compensation, will include Purchaser as additional insured on a primary basis for Work performed under or incidental to this purchase order.

Supplier will cause each subcontractor employed by Supplier to purchase and maintain insurance of the types specified below, as applicable.

Supplier will require all insurance policies in any way related to the Work and secured and maintained by Supplier to include a waiver of all rights of recovery, under subrogation or otherwise, against Purchaser. Supplier will require of subcontractors, by appropriate written agreements, similar waivers each in favor of Purchaser.

ARTICLE 12 – SECURITY AND CRISIS MANAGEMENT

The Supplier agrees to take all reasonable precautions to assure that the 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 Purchaser's request, Supplier shall provide Purchaser a copy thereof. Supplier shall revise and maintain the policy proactively, and as may be requested by Purchaser, in anticipation of security and crisis risks relevant to the Purchaser's business.

Purchaser 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 Purchaser's interests. If Purchaser reasonably determines that Supplier's policy and/or policy implementation is/are insufficient to protect Purchaser's property and interests, Purchaser may give Supplier notice of such determination. Upon receiving such notice, Supplier shall have forty-five (45) days thereafter to make the policy changes and take the implementation actions reasonably requested by Purchaser. Supplier's failure to take such actions shall give Purchaser the right to terminate this purchase order immediately without further compensation to Supplier.

ARTICLE 13 – INDEMNIFICATION

(a) If Purchaser determines any of Supplier's representations, warranties, certifications or covenants hereunder to be untrue, Purchaser shall have the right to terminate this purchase order without further compensation to Supplier, and Supplier shall defend, indemnify and hold harmless Purchaser 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, warranties, certifications and covenants, from Supplier's negligent acts or omissions, or from Supplier's failure otherwise to comply with the terms of this purchase order. An Indemnified Party shall have the right to participate in the selection of counsel and Supplier shall not enter into any settlement agreement that contains any admission of liability on the part of Purchaser.

[Redacted]

(b) The Supplier represents and warrants that the Compensation and the time for completion specified in the purchase order is based on its review of the Contract Papers which, even if incomplete, 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.

(c) From time to time, at Purchaser's request, Supplier shall provide certificates to Purchaser in form and substance acceptable to Purchaser relating to the requirements of this clause. Supplier shall permit Purchaser or its representatives, as well as its customers or regulatory authorities to have reasonable access to the site where Work under this purchase order is performed to assess 1) Supplier's work quality and compliance with Purchaser's specifications and 2) Supplier's compliance with its representations, warranties, certifications and covenants hereunder.

(d) **Patent Indemnity.** Supplier shall indemnify and save Purchaser 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 Purchaser and its customers the rights to continue using said Goods, or modify them in a manner acceptable to Purchaser so they become non-infringing, or with the written approval of Purchaser, remove said Goods and refund the purchase price.

ARTICLE 14 – TERMINATION

(a) **Convenience.** Purchaser shall have the right, at any time, upon written notice to Supplier, to terminate all or any Works required by Purchaser. Upon receipt of notice to terminate, Supplier shall cease all work and shall turn over to Purchaser all completed work and work in process, required or produced in connection with such work. Purchaser shall reimburse Supplier for work completed to date in accordance with the terms of this purchase order. In the event Purchaser wrongfully terminates this purchase order for default, in whole or in part, such termination becomes a termination for convenience under this clause.

(b) **Default.** Purchaser 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 the 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 any purchase order, or so fails to make progress as to endanger performance of any purchase order 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 Purchaser's notice or such longer period as Purchaser may authorize in writing; and (b) upon such termination Purchaser 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 purchase order to the extent not terminated and shall be liable to Purchaser for any excess costs for Purchaser's procurement of such similar Goods or Services. As an alternate remedy, and in lieu of termination for default, Purchaser, 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 purchase 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 purchase order, Supplier shall promptly notify Purchaser in writing. The rights and remedies of Purchaser provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under any Purchaser purchase order.

ARTICLE 15 – TAXES AND BENEFITS

The responsibility on which party shall pay taxes shall be listed on the purchase order. In the event Purchaser has the authority to purchase tangible personal property without payment of tax at the time of purchase, Purchaser shall advise Supplier in writing and Purchaser agrees to maintain adequate records of all purchases and pay tax on all taxable items directly to the appropriate tax agency.

For purposes of this purchase order, "Tax" shall mean any tax, fee or cost not based on Purchaser's net income, including, but not limited to, sales, use, excise, value added, withholding, or similar tax or any fees and penalties or interest associated with any of the following. No part of Supplier's compensation under this purchase order will be subject to withholding for any federal, state, social security, workers' compensation or other required taxes or payments.

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 this purchase order and Supplier agrees to indemnify Purchaser and hold it harmless to the extent of any obligation imposed on Purchaser 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 Purchaser pursuant to this purchase order and for all Taxes imposed by any governmental authority with respect to any payment to be made by Purchaser under this purchase order or any item to be delivered by Supplier to Purchaser under this purchase order.

ARTICLE 16 – INTELLECTUAL PROPERTY

Except as specifically set forth in writing and signed by both Parties, Purchaser shall retain control and ownership of all inventions, designs and processes, or other intellectual property owned, controlled or possessed by Purchaser prior to this purchase order. The Supplier shall promptly notify Purchaser of any such data, information, invention or discovery. Purchaser shall become the sole owner of any and all notes, reports, memoranda, drawings, designs,

schematics and any other written information made or prepared in connection with any purchase order placed by Purchaser and such information shall not be utilized by Supplier without the express written consent of Purchaser.

Additionally, Supplier agrees that all tangible and intangible property, including, but not limited to tools, tool drawings, materials, drawings, documents or data furnished to Supplier by Purchaser, or any materials affixed or attached thereto, shall be and remain the personal property of Purchaser, and, unless otherwise agreed to in writing by Purchaser, shall be used by Supplier solely to render Services or provide Goods to Purchaser.

Purchaser hereby grants Supplier a license to use the drawings, specifications and other data (hereinafter collectively referred to as "Data") furnished or paid for by Purchaser hereunder for the sole purpose of performing this purchase order for Purchaser. All Data is the property of Purchaser and shall not be used, disclosed to others or reproduced for any purpose; provided; however, Supplier may provide Data furnished or paid for by Purchaser hereunder to Supplier's contractors for the sole purpose of enabling Supplier's contractors to assist Supplier in performing this purchase order for Purchaser and on condition that Supplier's contractors agree in writing to the requirements of this Clause 14. This license is non-assignable, and this license is terminable with or without cause by Purchaser at any time. All Data furnished or paid for by Purchaser shall be deemed to be proprietary property to Purchaser, whether or not it is marked with any restrictive legend.

Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Supplier as being the property of Purchaser or Purchaser's designee, and shall be safely stored separate and apart from Supplier's property. Supplier shall not substitute any property for Purchaser's property and shall not use such property except in filling Purchaser's purchase orders. Such property while in Supplier's custody or control shall be held at Supplier's risk and shall be insured by Supplier for replacement cost with loss payable to Purchaser. Such property shall be subject to removal at Purchaser's written request, in which event Supplier shall prepare such property for shipment and shall deliver it as directed by Purchaser in the same condition as originally received by Supplier, reasonable wear and tear excepted, all at Supplier's expense.

In the event Supplier is notified by Purchaser that Goods ordered under this purchase order are patented, Supplier agrees to mark such Goods with any patent numbers or other markings designated by Purchaser, including updates to such numbers or markings.

ARTICLE 17 – LABOR STANDARDS (U.S. SUPPLIERS ONLY)

(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 Purchaser's purchase orders. Supplier must notify Purchaser prior to disclosure by Supplier of Purchaser technical data to non-U.S. persons, or the assignment by Supplier of non-U.S. persons to the involved work to enable Purchaser to review the technical scope and assure any necessary export authorizations are in place. Supplier certifies to Purchaser 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, Purchaser 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 the 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 further take affirmative action to employ and advance its employees without regard to race, color, religion, 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. Supplier will further take affirmative action to employ and advance its employees without regard to physical or mental handicap or because he or she is a disabled veteran or a veteran of the Vietnam War.

(d) **Child Labor; Indentured Service.** Any Goods related to Supplier's Work under this purchase order may be exported worldwide, including countries that prohibit the importation of goods manufactured with child labor or forced, indentured or convict labor. Supplier represents, warrants, certifies and covenants that no Goods supplied or Services provided under this purchase order 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.

(e) **Living Wage Ordinance [Los Angeles World Airport (LAWA) Contractors Only].** To the extent that Vendor is subject to the Living Wage Ordinance (Los Angeles Administrative Code Section 10.37 et seq., as may be amended from time to time) (the "Ordinance"), Vendor represents, warrants, certifies and covenants that Vendor is in

compliance with the Ordinance at the time of execution of this Agreement and shall remain in compliance throughout the term of this Agreement. In the event that Vendor determines at any time during the term of this Agreement that Vendor is subject to the Ordinance, but is not in compliance with the Ordinance, Vendor agrees that it shall immediately notify StandardAero of such non-compliance and take such measures as may be necessary to achieve compliance with the Ordinance. Further, Vendor agrees to indemnify and save StandardAero 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 may arise as a result of Vendor's failure to comply with the Ordinance. Vendor acknowledges and agrees that failure to comply with the Ordinance is a material breach of this Agreement and StandardAero may terminate this Agreement in accordance with the provisions of Article 14 (b), Termination for Default.

ARTICLE 18 – GENERAL PROVISIONS

(a) **Security Interests.** In the event items will be bailed to Supplier or progress payments will be made, Supplier grants Purchaser a security interest in machinery, equipment, contract rights, inventory, goods, merchandise, and new material, whether now existing or hereafter arising, and any replacements, improvements, substitutions, attachments, accessories and accessions thereto or thereon provided by further or precluded by Supplier with progress payments or advances made by Purchaser and to be used by Supplier in manufacturing Goods ordered by Purchaser under this purchase order. Supplier will execute and deliver all documents requested by Purchaser to protect, maintain, and perfect Purchaser's security interest.

(b) **Export Compliance.** The Supplier will be the importer/exporter of record of the Equipment and, unless we otherwise agree in writing, Supplier will be responsible for obtaining all necessary import/export licenses, permits and other required authorizations. All Delivered items (including technical data) shall at all times be subject to U.S. Export Regulations, International Traffic in Arms Regulations of the U.S., and applicable U.S. Customs Regulations. Supplier will not dispose of USA-origin items furnished by Purchaser (including technical data) other than in and to the country of ultimate destination specified in the Proposal, government license(s), and authorization(s), except as law and regulation permit.

(c) **Confidentiality.** The Supplier agrees to treat as strictly confidential all provisions of this purchase order and any information provided as a result of this purchase order. None of such provisions and information will be disclosed to any person, corporation, or unincorporated association ("recipient"), other than to employees of the Supplier only as absolutely necessary, without the consent of the Purchaser and without the signing of a non-disclosure agreement by any recipient. Consent shall not be withheld in the case of disclosure required for an investigation by a governmental authority or other mandatory legal process. The Supplier further agrees not to use Confidential Information to independently develop, reverse engineer or produce a product which is similar to or imitates products which are the subject of the Confidential Information, or otherwise use the Confidential Information for its own benefit or the benefit of another. Notwithstanding any document marking to the contrary, any knowledge or information which Supplier shall have disclosed or may hereafter disclose to Purchaser incident to the placing and filling of any purchase order shall not, be deemed to be confidential or proprietary information and accordingly shall be acquired free from any restriction on use or disclosure.

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

(e) **Compliance.** Supplier represents, warrants, certifies and covenants that it shall perform all Works required under this purchase order in compliance with all applicable international, national, state and local laws, including, but not limited to environmental, health and safety laws and regulations.

(f) **Independent Contractor** It is understood that the Supplier is an independent contractor of Purchaser. Nothing in this purchase order shall constitute the Supplier an employee, partner, or agent of, or attorney for Purchaser for any purpose. Nor is the 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 Purchaser or to in any way bind Purchaser. The Supplier shall not hold itself out as having any authority to bind Purchaser.

(g) **Amendments, Waivers, and Notices.** Any notice required by this purchase order and all amendment or waivers to this purchase order must be in writing and duly signed by the authorized representatives of both parties. No waiver of any breach of this purchase order will extend to any subsequent breach. All notices shall be sent by registered prepaid post, by fax, or delivered personally to the binding representatives of this purchase order.

(h) **Severability and Interpretation.** Each provision of this purchase order 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 purchase order shall not be affected. Headings in this purchase order are for the purpose of convenience only and shall not be used in the interpretation of any part of this purchase order. In this purchase order, the use of the singular includes the plural and vice versa and the use of any one gender includes all genders.

(i) **Governing Law.** This purchase order 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:** Except as specifically provided for in this subsection (j), the parties intend to forsake litigation and resolve with finality any and all disputes arising under or related to this purchase order exclusively by the process identified in this article. This article shall remain effective in the event that a petition in bankruptcy is filed by or against a party to this purchase

order, or if a party makes an assignment for the benefit of creditors, or if any other insolvency proceeding is commenced against a party. Invocation of this paragraph shall not relieve either party of any obligation, right or duty of performance arising under or related to this purchase order.

Any and all disputes, controversies or claims arising under or relating to this purchase order or the breach, termination or invalidation thereof shall upon written notice, be referred to a senior management representative from each of the parties who will confer in good faith to attempt to resolve the matter. The party sending the first written notice (the "initial notice") shall (1) set forth in detail, all of its claims or issues in dispute and (2) designate its representative. The other party shall have 5 business days to designate its representative and add any other issues or claims for resolution not identified in the initial notice. The representatives shall have 30 days from the date of the initial notice to resolve the issues identified in the notices. If the representatives are unable to resolve the matter, either party may refer the matter to administered mediation through the American Arbitration Association. Such mediation shall be started within 30 days from the date of referral, and the mediation process must be concluded within 30 days from the start date.

If the dispute or claim is not fully resolved pursuant to paragraph (B), either party may after 90 days, but not later than 120 days from the date of the initial notice, make a written demand for binding arbitration to be administered by the American Arbitration Association (AAA) by one arbitrator in accordance with its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. A party's failure to make a timely demand for arbitration shall result in the forfeiture of all the claims and issues that party identified in its written notice.

The arbitration proceedings shall be conducted in New York, and the purchase order shall be interpreted and applied in accordance with the laws of the state of New York without regard to New York's choice of law provisions. Each party will be permitted to take the deposition of one individual, limited to no longer than four hours. No other discovery shall be conducted except by the written agreement of both parties. The parties shall share all fees and expenses of the arbitration equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of proofs. The arbitrator shall have no authority to award punitive or other damages beyond the prevailing party's actual damages and shall not, in any event, make any ruling, finding, or award that does not conform to the terms and conditions of the purchase order. The arbitration award shall be in writing and shall specify the factual and legal basis for the award. The right to appeal the award shall be governed by New York law, and any such appeal shall be brought in a court of competent jurisdiction located in the State of New York.

Either party may at any time, without inconsistency with this purchase order, seek from a court of general jurisdiction located in New York, any equitable, interim or provisional relief only to avoid irreparable injury.

The parties intend all statements made and documents provided or exchanged in connection with this dispute resolution process to be confidential and neither party shall disclose the existence or content of the dispute or claim, or the results of any dispute resolution process, to third parties other than outside counsel, except with the prior written consent of the other party or pursuant to legal process.

The parties may by written mutual consent agree to dates and times other than those set forth in this article.

The provisions of this article shall not modify or displace the procedures specified in Section 12, Termination for Convenience. In addition, this article shall not apply to and will not bar litigation regarding any claims related to a party's proprietary or intellectual property rights.

(k) **Assignment:** This purchase order 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. In the event of Change of Ownership or Control of the Supplier, Supplier shall give notice of such offer to Purchaser as early as commercially practical following Supplier's receipt of the offer. The notice shall include the identity of the offeror, the date and time of the offer and the conditions of the offer. Before Supplier accepts the offer, it shall give Purchaser an opportunity, within a reasonable time, to advise Supplier of its objection to the offer. If, despite Purchaser's objections, the Change in Ownership or Control to the third party occurs, Purchaser has the right at its discretion to terminate this order for default under Article 12 and at no cost to Purchaser. In the event of such termination, Supplier agrees to render full cooperation to Purchaser in order to minimize disruption to the Purchaser's program. In lieu of termination, Purchaser may require Supplier to provide adequate assurance of performance, including, but not limited to the institution of special controls regarding the protection of Purchaser's proprietary information.

(l) **Entire Agreement:** This purchase order and its appendices 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 purchase order or invoicing terms provided by the Supplier. Annexes shall be applicable as specified in the purchase order. In case of any conflicts or inconsistencies between the provisions of this purchase order and the Appendices attached hereto, the provisions of this purchase order shall prevail.

(m) **Survivability:** The provisions of Articles 6, 11, 14 and 16 shall survive termination or expiration of this purchase order.

ARTICLE 19 – ENVIRONMENTAL MATTERS

(a) **Hazardous Substances.** Supplier warrants that, except as specified on the face of the



Standard Purchasing Terms and Conditions

(SA Rev 0112)



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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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 19, (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 19, (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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

ARTICLE 20 - NON-U.S. SUPPLIER CLAUSES

If Supplier is located outside of the United States, the preceding terms and conditions are modified as follows:

1. **ARTICLE 5(a), TRANSPORTATION** Is modified to replace the first two sentences of sub-paragraph (a) with the following language: "Goods covered by this purchase order shall be shipped in accordance with ICC Incoterms, 2000 edition. The applicable shipping and delivery Incoterms will be specified on the face of this purchase order."

2. **ARTICLE 12, TERMINATION** The reference to the Uniform Commercial Code is changed to refer to "Article 45 of the United Nations Convention on Contracts for the International Sale of Goods."

3. **ARTICLE 17, LABOR STANDARDS** Suppliers outside the U.S. shall comply with all labor regulations in their jurisdiction.

4. **ARTICLE 19(j), DISPUTES** is deleted and replaced with the following: This purchase order shall be interpreted in accordance with the laws of the State of New York, U.S.A. without regard to New York's choice of law provisions. Except as otherwise provided, the United Nations Convention on Contracts for the International Sale of Goods is not applicable to this purchase order; All disputes arising in connection with this purchase order shall be finally settled under the rules of conciliation and arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The arbitration shall be held in New York City and any arbitrator's award shall not exceed actual compensatory damages.

5. **ENGLISH LANGUAGE** Except as the parties may otherwise agree, this purchase order, data, notices, shipping invoices, correspondence and other writings shall be written in the English language. In the event of any inconsistency between any terms of this purchase order and any translation thereof into another language, the English language meaning shall control.

6. IMPORTER OF RECORD

(a) If Supplier is importer of record, Supplier agrees that Purchaser will not be a party to the importation of the Goods; that the transaction(s) represented by this purchase order will be consummated subsequent to importation; that Supplier will neither cause nor permit Purchaser's name to be shown as "importer of record" on any customs declaration; and that, if the Goods must be returned to Supplier, Supplier agrees to be U.S. exporter and to comply with all applicable export regulations.

(b) If Purchaser is the importer of record, Supplier shall ship the Goods to the port of entry as advised by Purchaser and show proper broker notification on all shipping waybills. Any additional transportation or clearance charges incurred by Purchaser due to non-adherence to this clause will be the responsibility of Supplier.

(c) Regardless of which party is the importer of record, Supplier's shipping cartons and documentation must meet all U.S. customs country of origin marking and invoicing requirements. Supplier will be responsible for any fines or liabilities resulting from insufficient, improper or negligent invoicing or marking of shipments.

(d) **U.S. EXPORTER** If Supplier is the U.S. exporter for any U.S. origin bailed or purchased material required by Supplier to complete this purchase order, Supplier shall be responsible for obtaining any required export license, authorizing a U.S. freight forwarder, and complying with U.S. export administration regulations/international traffic-in-arms regulations. If the Supplier requests the Purchaser to export the materials, the Purchaser shall be responsible for procuring the export license, utilizing its duly authorized freight forwarder, and complying with U.S. export administration regulations/international traffic-in-arms regulations.

7. **DRAWBACK** If Supplier is an importer of record, upon request and where applicable, Supplier will provide Purchaser customs form 7543 entitled "Certificate of Delivery" properly executed.

8. **TSCA WARRANTY** Regardless of which party is the importer of record, Supplier will be responsible for complying with the import restrictions contained in section 13 of the Toxic Substance Control Act (TSCA) 15 U.S.C. 2601 et seq., providing the appropriate TSCA certification required under 19 CFR 12.121, and any fines or liabilities resulting from breaches of this section.