

WORLDWIDE FOREIGN MILITARY SPARE PARTS MARKETING, DISTRIBUTION, RE-SALE, & REPAIR AGREEMENT

This Worldwide Foreign Military Spare Parts Marketing, Distribution, Re-sale, and Repair Agreement including any Exhibits hereto (hereinafter referred to as this "Agreement") is entered into as of May 5th, 2016, and effective as of the 1st day of July, 2016 (hereinafter referred to as the "Effective Date") by and between Crane Aerospace, Inc., (hereinafter referred to as "Crane") a corporation organized and existing under the laws of the State of Delaware, having an office and place of business at 16700 13th Avenue West, Lynnwood, Washington 98037, and AAR Supply Chain, Inc., (hereinafter referred to as "DISTRIBUTOR"), a corporation organized and existing under the laws of the State of Illinois, having an office and place of business at 1100 North Wood Dale Road, Wood Dale, Illinois 60191, singularly "Party" and collectively as the "Parties", hereto.

In consideration of the representations, covenants, and agreements set forth herein, the Parties, intending to be legally bound, hereby agree as follows.

1. **APPOINTMENT:** DISTRIBUTOR is hereby appointed an exclusive distributor-reseller of Crane in accordance with the terms and conditions as hereinafter provided. As a condition of such appointment, DISTRIBUTOR agrees that, with respect to the Products (as defined hereinafter), any existing sales representative or distributor-reseller agreement(s) between DISTRIBUTOR and Crane shall terminate upon the Effective Date of this Agreement and DISTRIBUTOR waives any requirement for receiving written notice before such existing sales representative or distributor-reseller agreement(s) is effectively terminated.

DISTRIBUTOR may purchase products from Crane pursuant to this Agreement and in accordance with Crane's Terms and Conditions of Sale (attached to this Agreement in Exhibit C and hereinafter referred to as "Crane Terms and Conditions of Sale"). The Crane Terms and Conditions of Sale may be amended from time to time by mutual written agreement of the Parties.

2. **PRODUCTS and USES:** DISTRIBUTOR is authorized to market and re-sell the products (hereinafter referred to as "Products") for the uses stated below:

Products:

All Crane products included within the Landing, Sensing, Fluid and Power systems product lines, manufactured and/or assembled by Crane at its Lynnwood, WA, Burbank, CA, and Elyria, OH facilities, under brand names Hydro-Aire, ELDEC and Lear Romec under Cage Codes 81982, 08748 and 51663 respectively (except any C-130 Mark IV Antiskid Brake Control System, C-130 Ground Fault Interrupt and SmartStem products) shall be included under this Agreement.

Uses: Limited to aftermarket repairs, spares and mutually agreed upgrades to the Products by military customers.

The Products and uses covered by this Agreement may be amended from time to time upon written mutual agreement between Crane and DISTRIBUTOR.

3. **TERRITORY and MARKETS:** The included geographical areas and markets are hereinafter referred to as the "Territory." The Territory in which DISTRIBUTOR is appointed exclusive distributor shall be as follows:

Geographical areas included in the Territory:

Except as excluded below, all countries that are outside of the United States ("Foreign Countries").

Geographical areas excluded from the Territory:

The U.S., Japan, Israel (see Note 1) and all other Foreign Countries where the Products are included in U.S. OFAC trade embargoes, or Foreign Countries where there is a policy of denial by the US government for the export of the Products from the U.S.

Markets and Customers included in the Territory:

All foreign military customers for Crane's Products in military aerospace market applications.

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This includes procurements by foreign military customers via the Parts and Repair Ordering System (PROS) procurement system (currently referred to as PROS IV). This also includes (i) the US Government Foreign Military Sales Office or (ii) any third parties intending to resell to foreign governments not listed in the previous sentence, except third parties intending to resell to Japan and / or Israel.

Any third party customers supporting US Government small business set-aside acquisitions for Crane Products.

Markets and Customers excluded from the Territory:

Commercial OEM and aftermarket customers or where Crane has obligations to provide repairs, spares, or upgrades under an Original Equipment Manufacturer (OEM) supply agreement.

U.S. government direct solicitations to Crane. Crane may, at its sole discretion and on a case-by-case basis, choose to allow DISTRIBUTOR to provide a quotation to the U.S. Government for such a solicitation.

Note 1 – DISTRIBUTOR is authorized to sell Products to the Government of Israel – Ministry of Defense – Mission to the U.S. office located in New York, NY.

4. **GENERAL RESPONSIBILITIES:** DISTRIBUTOR agrees, at all times during the term of the Agreement, to promote and resell Products to its customers within the Territory.

DISTRIBUTOR agrees to provide, in a mutually agreed format, monthly and quarterly marketing reports and forecasts and other related data as may from time-to-time be requested.

DISTRIBUTOR agrees to protect, safeguard and use all confidential, proprietary and trade secret information only in the best interests of Crane. Any and all information of a confidential nature obtained regarding Crane's business and technology, including but not limited to customer lists, pricing, data regarding the product design, methods of manufacture of the product, literature, and materials, shall not be disclosed in any manner directly or indirectly to any third party without prior written consent from Crane. Detailed non-disclosure terms and conditions are provided below in Section 35 of this Agreement titled, "Non-Disclosure of Proprietary Information."

Crane will provide DISTRIBUTOR, from time to time, with information such as catalogs, drawings, specifications, and other information and literature, as Crane may deem necessary, to enable DISTRIBUTOR to successfully promote and resell the Products.. Crane's ability to provide DISTRIBUTOR with information may be limited by U.S. export law compliance, which may impose time delays or prohibitions of disclosure.

5. **SPECIFIC DISTRIBUTOR RESPONSIBILITIES**

DISTRIBUTOR shall act in a positive and continuous manner to market and sell the Products within the Sales Territory. This will include, but not be limited to, the following duties:

5.1 DISTRIBUTOR shall procure from Crane and maintain adequate Product stock levels required to support customers within the Territory. DISTRIBUTOR shall maintain Product stock levels equivalent to four (4) months of required Product stock, based on the preceding twelve (12) month period of Product sales history. Product stock levels for Product retrofits and repairs shall be handled separately.

5.2 DISTRIBUTOR shall conduct semi-annual Performance Management Reviews to review sales forecasts & marketing opportunities, historical Product sales data, Product stock levels, pending issues, and action items. The Performance Management Reviews shall be conducted at Crane's designated location and at DISTRIBUTOR location.

5.3 Establish and maintain contact with responsible potential purchasers of the Products.

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5.4 Monitor inventory levels and sales forecasts each calendar quarter, or more frequently upon Crane request.

5.5 Submit reports, on a monthly basis, in a mutually agreed format, on customer contacts made and, in accordance with the requirements and instructions of Crane, submit reasonably detailed and comprehensive monthly reports to Crane management. At a minimum, the monthly reports will include a summary of all quotations made in the territory for Crane Products, complete with capture rate analysis by country. Capture rate metrics will be established and plans / strategies implemented to increase the capture rate on an ongoing basis. Monthly reports must also include an aged inventory report outlining current inventory levels by part number.

5.6 Assist in developing and implementing marketing and action plans for sales programs in the Sales Territory.

5.7 Assist Crane personnel during their visits in the Sales Territory. Crane shall give DISTRIBUTOR advance written notice of its intent to visit a specific area within the Sales Territory to allow reasonable time for DISTRIBUTOR to ensure that it can dispatch its personnel to that area to assist Crane's personnel.

5.8 Propose annual objectives to Crane which shall be used as the basis for jointly re-establishing DISTRIBUTOR's objectives in the Sales Territory. Sales objectives shall be broken down by Crane Solution and to be reviewed quarterly with Crane.

5.9 Promptly answer inquiries concerning the Products and keep Crane informed as to customer concerns or complaints.

5.10 Offer Crane's Product warranties directly to its customers and fulfill any obligations under such warranties.

5.11 Employ, train, and maintain a sales force having sufficient knowledge of the Products to present the Products and advise customers on their applications.

5.12 Attend such trade and industry meetings and shows as will promote the sale of the Products in the Sales Territory.

5.13 Maintain a current supply of sales promotional materials for the purpose of furthering sales of the Products and advertise in a manner that will develop customer confidence (The Parties shall cooperate in the development of advertising copy, and advertising copy shall be approved in writing by Crane prior to release).

5.14 Coordinate the return of Crane Products to Crane's designated repair facilities for repair.

5.15 Provide strategic marketing plan(s) to promote Crane products and identify M&U opportunities around these product lines in each major international region:

- Americas
- Europe
- Africa
- Middle East
- Asia

6. **DISTRIBUTOR EXPENSES:** DISTRIBUTOR is responsible for all of its own costs, expenses, and charges necessary or incidental to its resale of Products.

7. **NO CONTRACTUAL PRIVITY/INDEMNIFICATION & INSURANCE:**

Except as permitted by applicable law, DISTRIBUTOR'S customers shall have no direct contractual privity with

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Crane pertaining to the Products sold by DISTRIBUTOR to its customers.

Crane shall release and defend, indemnify and hold harmless DISTRIBUTOR, its affiliates, subcontractors, their directors, officers, employees and representatives from and against all liabilities, claims, suits, actions, awards, damages, losses, costs and expenses of whatsoever kind and nature, howsoever caused, including legal expenses, arising in connection with claims made by third parties for any injury or death of persons and/or any loss of or damage to property, due to Crane's negligence or willful misconduct and related to the Product(s), except to the extent such liabilities or claims are caused by the negligence or willful misconduct of DISTRIBUTOR.

During the term of this Agreement, both Parties shall maintain liability insurance with a reputable insurance company authorized to do business, which shall provide adequate coverage for product liability based on the sales of the Products.

During the term of this Agreement, Crane shall, at a minimum, maintain Aircraft Products Liability insurance in amounts not less than \$250,000,000. At the commencement of this Agreement and as otherwise reasonably requested by DISTRIBUTOR (but not more often than annually) Crane shall provide Distributor with a Certificate of Insurance evidencing such insurance coverage.

8. **INTELLECTUAL PROPERTY INFRINGEMENT DEFENSE:** Crane agrees to indemnify DISTRIBUTOR and defend at its own expense any suit, action or claim which may be brought against DISTRIBUTOR, its affiliates, directors, officers, agents, successors, assigns, or customers for alleged infringement of any United States or foreign patent, trademark, copyright or other third party intellectual property rights, arising out of or in connection with any Product.

In the event any Product furnished hereunder is determined to have infringed any copyright or patent with respect to which Seller has an obligation to indemnify, Seller may, at its option and expense: (i) procure for Buyer the right to continue using the Product, (ii) replace or modify the Product so that it becomes non-infringing, or (iii) grant Buyer a refund for such Product, less a reasonable depreciation for use, damage, and obsolescence. Except as required by a final judgment entered against Buyer by a court of competent jurisdiction from which no appeals can be or have been filed, Buyer shall obtain Seller's written approval prior to paying, committing to pay, assuming any obligation, or making any concession relative to any infringement covered by these indemnities.

9. **WAIVER OF CONSEQUENTIAL DAMAGES:** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER HEREUNDER FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT OR REMOTE DAMAGES, INCLUDING LOSS OF PROFITS OR LOSS OF USE, OR FOR PUNITIVE, EXEMPLARY OR OTHER SPECIAL DAMAGES, HOWEVER STYLED.

10. **INDEPENDENT CONTRACTOR:** DISTRIBUTOR shall, and it is intended that DISTRIBUTOR will, act as an independent contractor hereunder. It is agreed that DISTRIBUTOR is not (nor deemed to be) an employee of Crane or an agent of Crane, except for the sole and exclusive purpose of reselling its Products listed above in Section 2 of this Agreement.

Except to the limited extent provided for in this article, DISTRIBUTOR shall in no respect act or represent itself as the agent of Crane, and no agreement of agency shall be deemed to arise here from. No associate, partner, employee, agent, representative or sub-agent of DISTRIBUTOR shall have any power or authority independently to make, incur, contract or create any claim, promise, guarantee, debt, obligation, expense or liability of any kind whatsoever in the name of, or on behalf of, or for the account of Crane. All DISTRIBUTOR associates, partners, employees, agents, DISTRIBUTOR's and sub-agents shall be solely those of DISTRIBUTOR and not of Crane.

DISTRIBUTOR may indicate in its advertising and on its stationery that it is an authorized Crane distributor

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and that the Products promoted by it were manufactured by Crane. However, Crane does not thereby appoint DISTRIBUTOR or authorize DISTRIBUTOR to hold itself out in any other such capacity other than a distributor, nor does it authorize DISTRIBUTOR to pledge the credit of Crane or enter into any contract for Crane, nor does it convey to the DISTRIBUTOR any property interest in the corporate name, trademarks or patents. Whatever uses the DISTRIBUTOR makes of such corporate name and/or trademarks shall be for the exclusive benefit of Crane.

11. **SALES OF PRODUCTS TO DISTRIBUTOR:** Crane shall sell Products directly to DISTRIBUTOR pursuant to Crane's established Distributor Price List included in Exhibit E. Crane may provide further discounted prices to DISTRIBUTOR for significant volume of purchased Products. Any additional discounts required by DISTRIBUTOR above and beyond the initial price quoted to DISTRIBUTOR must satisfy the following criteria: (i) the discount must be necessary to make DISTRIBUTOR's product competitive given existing competition; and (ii) Distributor must submit a certification for each transaction verifying that the discount will not be used for an improper purpose. For custom Products, DISTRIBUTOR shall consult with Crane. Crane shall review the Distributor Price List on an annual basis (planned for 1st October) and provide ninety (90) day written notice to DISTRIBUTOR of any price increases or decreases to the Distributor Price List. Furthermore, Crane reserves the right to update pricing by providing ninety (90) day written notice for individual lines in the Distributor Price List on a case-by-case basis.

Sales of Products by Crane to DISTRIBUTOR shall be made pursuant to Crane's Terms and Conditions of Sale referenced above. DISTRIBUTOR shall not be eligible for nor receive a commission for DISTRIBUTOR'S sale of any Products to its customers.

DISTRIBUTOR shall purchase the Products from those Crane facilities listed above for resale in the Territory. All prices quoted by Crane to DISTRIBUTOR shall be for the Products packed in accordance with Crane's procedures and delivered EXW, Crane's Factory, U.S.A., Incoterms 2010, to DISTRIBUTOR.

Crane and DISTRIBUTOR will mutually agree on adequate Product stock levels that DISTRIBUTOR will maintain as required supporting customer demand in the Territory. The DISTRIBUTOR Product Stock levels shall be equivalent to four (4) months of demand based on the preceding twelve (12) months of sales history. DISTRIBUTOR Product stock levels to support retrofit campaigns shall be mutually agreed, as applicable, on a case by case basis.

For all Direct U.S. Government Solicitations that Crane elects to allow DISTRIBUTOR to pursue, DISTRIBUTOR shall quote for the exact quantity specified on the solicitation. Should DISTRIBUTOR have a valid business case to deviate from this requirement, Distributor may request a deviation on a case by case basis.

DISTRIBUTOR may place a supply order for Product inventory to support Product availability at commencement of the Agreement. DISTRIBUTOR agrees not to engage in any sales of Product in the Territory prior to the effective date of the Agreement.

DISTRIBUTOR shall not manufacture or obtain non-Crane components for use with the Products.

DISTRIBUTOR shall not reverse-engineer, replicate, or manufacture any Crane components or Products.

DISTRIBUTOR shall not procure/repair Crane parts, sub-assemblies, or components for any Products from any source other than Crane.

All proposals for Products to prospective customers in the Territory shall be made directly by DISTRIBUTOR.

12. **RETURNED PRODUCTS:** DISTRIBUTOR must follow the procedure for returns of Products contained in the Crane Terms and Conditions of Sale. Crane will not accept returns of Products directly from DISTRIBUTOR'S customers, without the prior written authorization of Crane.

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13. **PRODUCT MODIFICATION:** If Crane makes any change or modification to any Product and such change or modification results in a part number change, Crane shall notify DISTRIBUTOR of such change or modification when DISTRIBUTOR has begun its material planning process for the changed or modified Product, at which time the Parties shall endeavor to mutually agree on an implementation plan and timeline to ensure minimum impact on Distributor's inventory. If Crane modifies any Product, and the part number for that Product changes as a result, and such part number is considered a Spare, then the new part number for that Product will be deemed added to this Agreement for all purposes.
14. **PRODUCT LIMITED WARRANTY:** The limited warranty pertaining to Products contained in the Crane Terms and Conditions of Sale may be asserted only by the DISTRIBUTOR on behalf of itself and/or on behalf of its customers and not directly by DISTRIBUTOR'S customers or any other third party. Any additional warranties (including product warranty, express warranty or implied warranty) offered by DISTRIBUTOR or made applicable to its customers are the sole responsibility and liability of DISTRIBUTOR.
15. **LIMITATION OF LIABILITY:** Crane's total liability to DISTRIBUTOR, as stated in the limitation of liability section of the Crane Terms and Conditions of Sale, shall also include a limitation on any liability of Crane pertaining to DISTRIBUTOR'S resale of Products to its customers. Crane's liability to both DISTRIBUTOR and its customers is capped at the maximum amount contained in the Crane Terms and Conditions of Sale.
16. **PRODUCT PERFORMANCE:** DISTRIBUTOR shall not make or provide any statement which indicates or might imply that performance of Products is greater than indicated in Crane product catalogues, circulars, literature, materials and documentation.
17. **ASSIGNMENT:** This Agreement, in whole or in part, shall not be assigned or transferred by either party, except with the prior written consent of the other party.
18. **RESTRICTIVE COVENANTS:** During the term of this Agreement, DISTRIBUTOR agrees that its distribution business division will not exhibit for sale, sell or solicit sales directly or indirectly for any products which compete with any Products without the prior written consent of Crane, which shall not be unreasonably withheld or delayed. In this regard, DISTRIBUTOR shall promptly advise Crane in writing of any new representations or distributor relationships undertaken or contemplated for other manufacturers, representatives or distributors. Failure to provide such notice may be considered by Crane as breach on the part of DISTRIBUTOR and this Agreement may be terminated forthwith by Crane.
19. **DURATION AND TERMINATION:** This Agreement shall be effective for five (5) years from the Effective Date and shall continue in full force and effect until terminated, as provided below. This Agreement may be extended for an additional five (5) years if either Party provides written notice to the other party at least thirty calendar (30) days prior to the expiration of the initial five-year term. Both Parties shall be responsible to perform any order(s) for Products placed by DISTRIBUTOR that is accepted by Crane on or before the expiration of this Agreement, unless otherwise agreed to by the Parties.

This Agreement may be terminated immediately by either Party pursuant to the following:

- A. If a Party fails to perform any obligation imposed upon it by this Agreement and fails to remedy such failure within fifteen (15) business days of receiving notice of such failure,.
- B. If a Party assigns this Agreement, or any rights under this Agreement, without the other party's prior written consent, or if a party commits any act of bankruptcy, as defined by the Bankruptcy Act, or is adjudicated bankrupt or insolvent, or makes an assignment for benefit of creditors.
- C. Additional other specific termination provisions as set forth within this Agreement, including Exhibits.
- D. By either party for its convenience, only after twenty-four (24) months from the Effective Date of the Agreement, by providing one hundred twenty (120) days' prior written notice to the other; provided, that if

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either party elects to terminate this Agreement for its convenience, upon the receipt of such notice (i) DISTRIBUTOR shall not be required to maintain any minimum stock levels, (ii) DISTRIBUTOR may cancel any pending purchase orders, in whole or in part, and (iii) upon termination of this Agreement, the Parties will meet and work together to minimize impacts to the other Party, including but not limited to the timely disposition of held inventory.

20. **RIGHTS UPON TERMINATION:** Except as otherwise provided in this Agreement, upon termination of this Agreement, all rights and obligations of the parties shall be extinguished.
21. **TERMINATION LIABILITIES:** The right of termination of the Agreement pursuant to Section 19 of this Agreement is absolute and neither Crane nor DISTRIBUTOR shall incur any liability by reason thereof, each of said parties mutually releasing the other from any claim of any nature resulting from or arising out of such termination (including, but not by way of limitation, damages sustained on account of loss of prospective profits, or on investments, contract, lease or other commitments), except for any such claim which shall have accrued prior to the effective date of such termination or which is preserved pursuant to Section 19 of this Agreement.
22. **CEASE USE OF NAME AND TRADEMARKS:** Upon termination of this Agreement, DISTRIBUTOR shall immediately cease to represent itself in any fashion as a Crane distributor, cease the use of Crane's corporate name and/or trademark, or any near resemblance thereof that in the opinion of Crane would infringe upon or dilute the names, trade names and/or trademarks of Crane or that in the opinion of Crane bears such near resemblance to any name and/or trademark of Crane as might deceive customers or create confusion. This provision shall survive termination of this Agreement.
23. **CRANE POLICIES:** DISTRIBUTOR agrees to abide by all Crane sales and advertising policies and business ethics policies, including the Anti-Bribery Compliance Procedure (CP-102 ABC), which are set forth on Exhibit D hereto, and as may be amended from time to time by mutual written agreement of the Parties.
24. **COMPLIANCE WITH LAW:** The Parties agree that they will not violate any applicable law or regulation of any state, country or political subdivision thereof in performing or purporting to perform any act arising out of or in connection with this Agreement. Pursuant thereto, the Parties agree to maintain such records as required by the applicable laws and regulations and provide all written assurances required by the other Party in connection therewith.
25. **NOTICES:** Any notice required or contemplated hereunder or in connection herewith shall be deemed sufficiently given upon request, by hand delivery, fax transmission, e-mail, express delivery or governmental postal service, addressed to DISTRIBUTOR or, respectively, Crane, at the address cited on page 1 of this Agreement. The address of the DISTRIBUTOR and Crane may be changed by giving written notice of such change to the other party. Notices may also be given by such other means as is acceptable to and agreed upon by the parties to this Agreement. A notice of breach, default or termination hereunder shall not be sent by e-mail.
26. **WAIVER:** The waiver of any rights under this Agreement by either party shall not be construed as a waiver of the same right at a future time or as a waiver of any other right under this Agreement.
27. **SEVERABILITY:** Any provision of this Agreement which is prohibited or non-enforceable in any applicable jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition and non-enforceability without invalidating the remaining provisions hereof. To the extent permitted by applicable law, DISTRIBUTOR hereby waives any provision of law which prohibits or renders non-enforceable any provision hereof in any respect.
28. **APPLICABLE LAW:** This Agreement has been made in the State of New York, U.S.A. and shall be interpreted and construed in accordance with the laws of the State of New York, U.S.A., excluding its choice of laws rules. Any disputes raised under this Agreement that are not resolved by the parties shall be subject to

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the exclusive jurisdiction and venue of the state and/or federal courts of New York County, New York, and the parties both represent and warrant that such Court has personal jurisdiction and venue over them for the purpose of resolving any such disputes. If Products are sold or shipped outside of the United States, the U.N. Convention on the International Sales of Goods is expressly made not applicable to this Agreement.

29. **U.S. EXPORT REGULATIONS:** DISTRIBUTOR agrees to strictly adhere to all applicable U.S. export, and/or re-export laws and regulations. Any violation by DISTRIBUTOR of U.S. export and/or re-export laws or regulations shall be deemed a "breach" by DISTRIBUTOR and result in immediate termination of this Agreement.
- A. DISTRIBUTOR is responsible to safeguard U.S. Government and company controlled technical data, and agrees to comply with all laws and regulations pertaining to the transfer and exchange of such controlled data
 - B. Defense articles on the U.S. Munitions List and/or technical data/know-how related to defense articles, that are disclosed to DISTRIBUTOR by Crane, are subject to export controls and licenses under the International Traffic in Arms Regulations (Title 22, Code of Federal Regulations, Parts 120-130) (hereinafter referred to as "ITAR"). DISTRIBUTOR hereby certifies that it will not knowingly, and will not permit others, to disclose, export, or transfer, in any manner, to any foreign national or to any foreign country not covered by licenses for such defense articles, defense services, or know-how.
 - C. DISTRIBUTOR acknowledges that Crane is not engaging DISTRIBUTOR to act as a "broker" as defined in ITAR Part 129.2, which can be found at the following website:
http://www.pmddtc.state.gov/regulations_laws/documents/official_itar/ITAR_Part_129.pdf.
DISTRIBUTOR agrees that, in the course of performing its duties and obligations under this Agreement, it shall not act as a "broker" as defined in ITAR Part 129.2.
 - D. DISTRIBUTOR is required to know the customers within the Territory to be able to determine the ultimate product end-use and end-user and provide the customer signed end-use statement to Crane to ensure compliance with U.S. export regulations. DISTRIBUTOR must submit to Crane a signed end-use statement with its purchase order for the purchase of Products from Crane.
 - E. DISTRIBUTOR shall notify Crane upon discovery of any Crane product or technical data that has been diverted from its original destination, exported/re-exported to another country or has been used for purposes other than originally disclosed to Crane.
 - F. DISTRIBUTOR shall indemnify and hold harmless Crane from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys' fees, arising out of claims, suit, allegations or charges to the extent of DISTRIBUTOR'S negligent failure to comply with any provisions of the U.S. export laws and regulations.

Crane shall indemnify and hold harmless DISTRIBUTOR from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys' fees, arising out of claims, suit, allegations or charges to the extent of Crane's negligent failure to comply with any provisions of the U.S. export laws and regulations.
 - G. If a required export license is denied as a result of DISTRIBUTOR'S fault, and DISTRIBUTOR'S purchase order for Products must be cancelled, DISTRIBUTOR shall be responsible for Crane's incurred reasonable and actual costs associated with labor and material, including overhead and general & administrative costs, but excluding profit, for any applicable purchase order for which Crane is not able to resell the materials under an existing Purchase Order for another customer.
30. **ENTITY LISTS REVIEW:** DISTRIBUTOR is required to screen potential customers against the various denial lists including the Entity List (denied companies and organizations), Denied Parties List (denied persons,

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pecially designated nationals, debarred parties, designated terrorist organizations, missile proliferators, chemical & biological concerns, etc.), and Parties of Concern List (EU/UN sanctions). These lists are updated frequently and should be checked on a routine basis by reviewing the U.S. Department of State website www.state.gov and U.S. Department of Commerce website www.bis.doc.gov/complianceandenforcement/liststocheck.htm.

31. **U.S. PRINCIPAL PARTY IN INTEREST (USPPI):** If DISTRIBUTOR appoints a U.S. agent/freight forwarder to manage and handle the export of any Products from the United States, DISTRIBUTOR will be responsible for determining and securing any export licenses or other official authorizations needed to carry out all U.S. Export and Custom formalities. Further, if DISTRIBUTOR does not have a legal presence in the United States, they will agree to assign their own agent/freight forwarder to be responsible for all export liabilities, including, but not limited to, being the legal exporter of record or U.S. Principal Party in Interest ("USPPI") for all Products to be exported from the United States. In situations where DISTRIBUTOR takes ownership of the goods and is therefore liable for the export of Products from the United States, DISTRIBUTOR further agrees to have their U.S. agent/freight forwarder provide Crane with the following certification:

"We hereby acknowledge that we have been appointed as agent/freight forwarder by (name of foreign customer) to handle the export of Crane Corporation products from the U.S. We further acknowledge that on behalf of (name of foreign customer), for export control purposes, we are responsible for determining any export license requirements, to obtain any export license or other official authorization, and to carry out any customs formalities for the export of the goods. We further acknowledge that for export control purposes, we will be the exporter of the goods from the U.S."

Crane will not release Products for shipment to DISTRIBUTOR until such signed Certification is received from the U.S. agent/freight forwarder.

32. **DEBARMENT:** DISTRIBUTOR hereby certifies that it is not listed as debarred, suspended or otherwise ineligible for contracting by a United States Government Agency. DISTRIBUTOR agrees that it will promptly notify Crane if at any time, DISTRIBUTOR is so listed by any United State Government Agency.
33. **ETHICAL CONDUCT:** Crane is a wholly-owned subsidiary of CRANE CO., a U.S. corporation. As such, DISTRIBUTOR is duly informed and advised that actions taken outside the U.S. whether by non-U.S. personnel or by U.S. personnel operating overseas that may be in conformance with local customs may not be U.S. standards of conduct. Accordingly, in instances where U.S. laws, regulations and standards relating to ethical conduct are more restrictive than those of a particular locality outside the U.S., conduct should be governed by U.S. standards. Therefore, DISTRIBUTOR shall not make illegal, improper, corrupt or unethical payments in cash, property or services by or on behalf of Crane in order to secure or retain business or other advantages. Such payments, whether to government officials or employees, or to employees of private companies, constitute a crime in most U.S. and foreign jurisdictions. In jurisdictions where they are not so considered, they are regarded by Crane as unethical payments and shall not be made by DISTRIBUTOR. DISTRIBUTOR'S non-adherence with this Section shall be deemed a "breach" and subject to the immediate termination provisions of Section 19 of this Agreement.
34. **FOREIGN CORRUPT PRACTICES ACT and ANTI-BRIBERY ACT:** DISTRIBUTOR warrants and represents that it does and shall comply with the U.S. Foreign Corrupt Practices Act of 1977, 15 U.S.C. Sections 78 dd-1, and its 1998 amendment, ("FCPA"), the UK Bribery Act, and the International Anti-Bribery and Fair Competition Act of 1998 ("Anti-Bribery Act") and any equivalent anti-corruption laws, regulations, or statutes in the Territory where DISTRIBUTOR sells Products and in the jurisdiction of DISTRIBUTOR's place of business. In particular, DISTRIBUTOR warrants and represents that no payments or giving of anything of value, whether directly or indirectly, by an American company to an official of a foreign government, to a foreign political party or any candidate for foreign office for the purpose of influencing an act or decision in his official capacity, or inducing him to use his influence with the foreign government, to assist a company in obtaining or retaining business for or with, or directing business to, any person. DISTRIBUTOR'S non-adherence with this Section shall be deemed a "breach" and subject to the immediate termination provisions of

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Section 19 of this Agreement.

DISTRIBUTOR agrees to defend, indemnify and hold harmless Crane for all claims, demands, causes of action, damages, losses, fines, penalties or costs, including attorney's fees that Crane may suffer by reason of the violation by DISTRIBUTOR of the FCPA, UK Bribery Act, and U.S. export laws.

35. **POLITICAL OFFICE:** DISTRIBUTOR represents that none of its partners, principals and staff members are officials, officers, or DISTRIBUTORS of any government or political party or candidates for political office. No part of DISTRIBUTOR'S compensation will be used by DISTRIBUTOR for any purpose that would constitute a violation of any law of the various jurisdictions in which it performs services or of the U.S., including FCPA and the Anti-Bribery Act. For its part, Crane represents that it does not desire and will not request any service or action by the DISTRIBUTOR that would or might constitute any such violation.
36. **CERTIFICATION:** DISTRIBUTOR hereby certifies that the Certification Regarding Compliance with Anti-Bribery Laws (referred to as "Anti-Bribery Certification") (Exhibit B) is current, complete and accurate as of the Effective Date. DISTRIBUTOR acknowledges that such information in the Anti-Bribery Certification was relied upon by Crane in determining whether to enter into this Agreement with DISTRIBUTOR and that any false or misleading information provided by DISTRIBUTOR would be grounds for immediate termination of the DISTRIBUTOR under Section 19 above.
37. **RECERTIFICATION:** At Crane's written request, DISTRIBUTOR agrees to complete and return a new Application For Distributor Information Form (Exhibit A) every two (2) years and complete and return Anti-Bribery Certification (Exhibit B) annually from the Effective Date of this Agreement, in each case within 30 calendar days from the request date. Any false or misleading information provided by DISTRIBUTOR may be grounds for immediate termination of the DISTRIBUTOR under Section 19 above.
38. **NON-DISCLOSURE OF PROPRIETARY INFORMATION:**
- A. **Recitals:** Crane develops, manufactures, sells and/or provides proprietary devices and components (the "Goods or Services") and is in possession of proprietary information relating to its Goods or Services. Pursuant to this Agreement, Crane and DISTRIBUTOR are engaged in a mutually beneficial business arrangement under which the Parties will disclose proprietary information to each other with the assurance that the other Party shall use the confidential or proprietary information only in accordance with the terms of this Section.
- B. **Definitions:** For purposes of this Agreement, "Proprietary Information" shall mean all proprietary, confidential and trade secret information (whether technology-related or business-related) disclosed by one Party to the other that: (a) is labeled or marked "proprietary" or "confidential" or "trade secret" or other similar connotation or, (b) is disclosed orally and identified at the time of disclosure as "proprietary" or "confidential" or "trade secret" or other similar connotation and also is summarized and designated as proprietary in a written memorandum delivered to the receiving Party within thirty (30) business days of disclosure shall be deemed to be "Proprietary Information".
- C. **Use of Proprietary Information:** Each Party shall hold the Proprietary Information of the other Party in confidence and shall use the Proprietary Information only for this Agreement. Each Party shall not disclose the Proprietary Information to any third parties without the prior written consent of the other Party, including requiring that the third party execute a nondisclosure agreement containing terms consistent with the obligations of the parties under this Agreement. Each Party shall use the Proprietary Information solely in connection with the potential or actual business arrangement between Crane and DISTRIBUTOR and for no other purpose. Each Party shall take all reasonable steps necessary to protect and hold in confidence the Proprietary Information including the steps normally taken to protect its own confidential and proprietary information. Each Party shall: (1) advise all of its employees, agents, outside contractors and consultants who receive Proprietary Information under this Agreement of its obligations of confidentiality, nondisclosure and restricted use under this Agreement; and (2) require that any third party,

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agent, outside contractor or consultant who receives Proprietary Information under this Agreement executes an agreement having terms consistent with the obligations of the parties under this Agreement. Each Party agrees that the above commitments on its part regarding the use or disclosure of Proprietary Information shall also apply to each of its individual agents and employees who shall receive any Proprietary Information. Each Party also agrees that it shall restrict the disclosure of Proprietary Information only to those agents and employees who have a need to know such Proprietary Information in order to permit either Party to fulfill the purposes of the Agreement and who have agreed to hold in confidence all Proprietary Information coming into their possession, and not to use such Proprietary Information other than in connection with this Agreement.

- D. Applicability:** The foregoing obligations of confidentiality, nondisclosure and restricted use shall not apply to Proprietary Information that: (1) is in the public domain before it is disclosed by either Party to the other Party; (2) becomes part of the public domain after it is disclosed either Party to the other Party, through no fault of either Party; (3) can be shown by either Party to have been in the other Party's possession prior to disclosure and that was not acquired directly or indirectly from either Party on a confidential basis; (4) is lawfully received by either Party from a third party which did not acquire the Proprietary Information directly or indirectly or; (5) is developed by either Party independently of disclosure by personnel having no access to the other Party's Proprietary Information.
- E. Obligations Regarding Physical Forms of Proprietary Information:** All Proprietary Information in physical and/or electronic form shall be returned to the disclosing Party upon written request; provided, however, that a single copy of the Proprietary Information, may be retained for the sole purpose of complying with internal corporate policies or applicable law.
- F. Period of Protection for Proprietary Information:** Each Party's duty to protect Proprietary Information disclosed under this Agreement shall be for a period of fifteen (15) years after the termination of this Agreement. Upon expiration of this Agreement, both Parties will promptly: (a) cease using the Proprietary Information, (b) return or upon request, destroy all tangible items containing or consisting of Proprietary Information and all copies thereof, and (c) certify in writing that it has complied with the obligations set forth in this paragraph. In the event Proprietary Information has been properly destroyed by the either Party, written certification of destruction shall be provided by either Party to the other Party.
39. **VALIDITY:** This Agreement may be executed separately in counterparts and will be binding when the counterparts have been exchanged by delivery in person, by mail or by facsimile. Each and all of these counterparts will be deemed for all purposes to be one document, binding as such on both parties.
40. **REMEDIES:** DISTRIBUTOR acknowledges and agrees that Crane would not have an adequate remedy at law and would be irreparably harmed if any of the provisions of this Agreement were not performed in accordance with its terms or were otherwise breached. Therefore, in addition to any other remedy to which Crane may be entitled, at law or equity, Crane shall be entitled to seek injunctive relief.
41. **SURVIVAL:** Sections 7 (No Contractual Privity/Indemnification and Insurance); 8 (Intellectual Property Infringement Defense); 9 (Waiver of Consequential Damages); 14 (Product Limited Warranty); 15 (Limitation of Liability); 20 (Rights Upon Termination); 21 (Termination Liabilities); 22 (Cease Use of Name and Trademarks); 24 (Compliance with Law); 28 (Applicable Law); 29 (US Export Regulations); 38 (Non-Disclosure of Proprietary Information) shall survive the termination of this Agreement.
42. **ORDER OF PRECEDENCE:** In the event of a conflict between this Agreement and Crane's Terms and Conditions of Sale, the terms, conditions, and provisions of this Agreement shall take precedence.
43. **ENTIRE AGREEMENT:** This Agreement shall constitute the entire agreement between parties and any prior understanding or representation of any kind antedating this Agreement shall not be binding upon either party except to the extent agreed upon in writing and duly signed by both parties.



Execution Version

**WORLDWIDE FOREIGN MILITARY SPARE PARTS
MARKETING, DISTRIBUTION, RE-SALE, & REPAIR AGREEMENT**



**WORLDWIDE FOREIGN MILITARY SPARE PARTS
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IN WITNESS HEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

DISTRIBUTOR Company Name	AAR Supply Chain, Inc.
Signature of DISTRIBUTOR Official	
Printed Name of Signer	Eric Young
Title	Vice President
Date	May <u>5</u> , 2016
	CRANE AEROSPACE, INC.
Signature of Crane Official	
Printed Name of Signer	Gregg Herman
Title	Vice President of Sales and Marketing
Date	May ____, 2016

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Exhibit A

Application For Distributor Information Form

Distributor Name and Address: AAR Supply Chain, Inc., 1100 N. Wood Dale Road, Wood Dale, IL 60191		
Phone (630) 227-2000	Fax (630) 227-5519	E-Mail Address eric.young@aarcorp.com
Distributor Point of Contact Eric Young		Title Vice President
If U.S. citizen, is applicant a former employee of the Department of Defense or a legislative branch member? No <input type="checkbox"/> Yes <input type="checkbox"/> No		
Distributor's Website: www.aarcorp.com		
Type of Business: <input type="checkbox"/> Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Individual Corporation		
Country/State of Incorporation Illinois	Registration Number (if applicable) 52747082	
Taxpayer Identification Number (if a business in the United States) 36-3180895	Date of Establishment May 24, 1982	
DUNS Number 10-401-2638		
Owner(s)	Nationality	% Ownership
AAR CORP.	Delaware corporation	100%
Does any government department, agency or instrumentality, or any official or employee thereof, have ownership or other financial interest in applicant's organization, or an affiliate thereof, directly or indirectly? No <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," please specify:		
Name/Titles of Principal Officers	Education	Employment Background
John Holmes		President, AAR Supply Chain, Inc.
Eric Young		Vice President, AAR Supply Chain, Inc.
Mike Sharp		Vice President & Treasurer
Robert Regan		Secretary

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Is the applicant, any owner, or any employee of the applicant, or any principal officer an elected or appointed official or a former elected or appointed official of any government department including military, agency or instrumentality? ☐ Yes ☐ No

If "Yes," list names, titles and government positions:

Applicant, owner and principal officer: No

Employees of Applicant: Applicant employs in excess of 600 employees, so it is not possible to accurately answer this question.

Is the applicant, any owner, or any employee of the applicant, or any principal officer an elected or appointed official or a former elected or appointed official of any government department including military, agency or instrumentality? ☐ Yes ☐ No

For each "Yes" answer, provide name of government department, agency, or instrumentality, position or office held or sought, military rank where applicable, etc. and termination date:

See above (this is the same question).

Do any of the principals of your organization have an ownership interest above 5% in any other organization? ☐ Yes ☐ No

If "Yes," identify each such other organization, its address, its business activities, the role played in it by any principal of the applicant's organization, and any other relationship between the applicant and such other organization(s):

No officer owns in excess of 5% of applicant or any affiliate of applicant.

Has the applicant, any associated organization, any prior organization, any prior associated organization, any present or former principal officer or employee, been suspended from doing business in any capacity, been charged with any criminal act, or been the subject of any allegation of fraud, misrepresentation, bribery, or other related activities? ☐ Yes ☐ No

If the answer is anything other than an unequivocal "no," please provide complete details (on a separate sheet, if necessary):

With respect to applicant and its affiliates by any governmental agency or instrumentality, no.

Does the applicant, any owner, any employee of the applicant, or any present or former principal officer have any family relationships with current members of a government department, agency or instrumentality, or any official or employee thereof? ☐ Yes ☐ No

For each "Yes" answer, provide complete details:

For applicant, owner and present officers, no.

For former officers and employees, we do not have the ability to respond to this inquiry.

Is the applicant, any owner, any employee of the applicant, or any present or former principal officer an official of any political party or candidate for political office? ☐ Yes ☐ No

For each "Yes" answer, provide complete details:

For applicant, owner and present officers, no.

For former officers and employees, we do not have the ability to respond to this inquiry.

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Is the applicant, any owner, any employee of the applicant, or any principal officer employed by a non-government customer? **Please assume "no."** ☐ Yes ☐ No
However, it is not clear how non-government customer is defined (customer of whom?). If Crane can provide some clarification of who or what a non-government customer is, applicant will endeavor to more accurately answer the question.

If "Yes," provide name of customer and positions held and a written approval by the chief executive officer of the customer, including confirmation that local law or custom permits such dual activity:

Operations

Describe briefly the nature and history of applicant's business:

AAR Supply Chain, Inc. was formed in 1982. AAR Supply Chain, Inc. is in the business of, among other things, distributing aviation-related products manufactured by third party manufacturers for commercial and military applications.

If Applicant is an individual, please provide resume. If applicant is a Company, please provide copies of Company brochures, annual reports and any other documentation deemed appropriate, including latest fiscal balance sheet and operating statement hereto. Please see our website at www.aarcorp.com

Names/titles of principal individuals who will provide service	Education	Employment Background
Eric Young	BS Indus Eng Northwestern Univ	LEK Consult / Del Monte / Goldman / AAR
Tim Driscoll	BS Aero Science Embry-Riddle Aero Univ	US Navy / GE Aviation / Eaton Aerospace

General Background

Description of Branch offices, if any:	Location	% of Total Sales
AAR Supply Chain, Inc. is qualified to conduct business in the following jurisdictions outside of IL: AL, AZ, AR, CA, CT, FL, GA, IN, LA, MI, MO, NE, NJ, NY, NC, OK, TX, UT, VA.		

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Describe the applicant's sales department (number, experience, and special qualifications [(e.g., engineering degrees, etc.) of personnel]:

AAR has a global sales team consisting of 80 experienced sales resources located in various locations in the world. Degrees avail upon request

List previous or current relationships, if any, with Crane Co. or its affiliates:

Previous – none Current – Outstanding commercial sales agreements

Market Information

For which products or services does applicant wish to act as a sales representative?

Markets described in the attached agreement

Estimate the total available market in the territory for the products or services for which the applicant wishes to act as a sales representative: **Crane has represented the market to be \$1M - \$5M per year**

Estimate the potential sales in your territory for the products or services:

During the first year: \$1M - \$4M	During the second year: \$1M - \$4M	During the third year: \$1M - \$4M
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Provide any other relevant market information:

Other Firms Represented

Principal Contact	Firm	Address	Email or Fax.	Phone

References

List General References (persons/firms familiar with applicant's organization):

Principal Contact	Firm	Address	Email or Fax	Phone

List Financial References (indicate banks, principal suppliers, etc.):

Firm	Address	Email or Fax.	Phone

Other Pertinent Comments

None.



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I understand that this information will be relied upon in determining whether to enter into any contractual agreement with the applicant, and that any false or misleading information provided by the applicant would be grounds for the immediate termination of any such contractual agreement.

Signature

Title
Eric Young, Vice President

Date: May 5, 2016

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**Exhibit B
Anti-Bribery Certification**

DISTRIBUTOR entered in the Agreement with Crane as of the Effective Date. DISTRIBUTOR represents warrants, affirms and agrees that:


1. None of the principals, officers or employees of DISTRIBUTOR is a government official, an official of any public international organization, a political party official, or a candidate for political office.
2. All of the information that DISTRIBUTOR has provided to Crane and its representatives in connection with Crane's retention of DISTRIBUTOR was and remains current, accurate and complete.
3. DISTRIBUTOR will obtain written approval from Crane before DISTRIBUTOR hires subagents, and no subagent will be approved unless that subagent agrees in writing to these same terms and conditions.
4. In connection with its representation and work on behalf of Crane, DISTRIBUTOR shall not give, offer or promise to give, or authorize the giving directly or indirectly through any other person or firm, of any money or thing of value to any other person or organization, including any official of any government, employee or official of any public international organization, any political party or official or employee of such party, or any candidate for political office, for the purpose of inducing or rewarding favorable action or the exercise of influence by such official, party or candidate in any governmental matter.
5. In connection with its representation and work on behalf of Crane, DISTRIBUTOR shall not give, offer or promise to give, or authorize the giving directly or indirectly to or through any person or firm, of any money or thing of value to any person or organization as an inducement or reward for the party or representative doing or forbearing to do any act in relation to the business or affairs of Crane or DISTRIBUTOR, or for showing or forbearing to show favor or disfavor to any person in relation to the business or affairs of Crane or DISTRIBUTOR.
6. DISTRIBUTOR will provide documents and information to Crane, upon request, confirming DISTRIBUTOR'S compliance with this Certification and the Agreement, and will allow Crane (or its agents) to review DISTRIBUTOR'S books and records with respect to the work performed on behalf of Crane at any time.
7. If there are any additional owners in, or change in the ownership of, DISTRIBUTOR, DISTRIBUTOR shall notify Crane of the identity of the new owner(s) as soon as possible. Crane may terminate the Agreement with DISTRIBUTOR if Crane disapproves of such new owners. [Note: This clause does not apply to sales representatives who are natural persons. For sales representatives that are publicly-traded companies, this clause would apply only in the event a new owner or group of owners should acquire 5% or more of the DISTRIBUTOR.]
8. This certification is being provided to Crane as a condition for entering into the Agreement. If DISTRIBUTOR violates any of the terms of this certification, Crane shall have the option to terminate the Agreement with DISTRIBUTOR, notwithstanding any other provision of the Agreement to the contrary. Moreover, DISTRIBUTOR shall forfeit any commissions owed to it by Crane upon an admission or finding that DISTRIBUTOR has failed to comply with any of the terms of this certification.

AAR Supply Chain, Inc.

Signature

Printed Name

Title


Eric Young
Vice President



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Date

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Exhibit C Crane General Terms and Conditions of Sale

DEFINITIONS: As used throughout these General Terms and Conditions of Sale ("Terms"), the following capitalized words shall have the following definitions unless otherwise specifically stated:

(a) "Seller" means Crane Aerospace, Inc., and/or the subsidiary of Crane Co., which is providing the Product or Service to Buyer, subject to these Terms;

(b) "Buyer" means the legal entity, AAR Supply Chain, Inc., contracting with the Seller for the receipt of Products or Services;

(c) "Agreement" means that certain [dated and described agreement], between Seller and Buyer, which is hereby incorporated by reference into these Terms. Any conflict between the Terms and the Agreement shall be settled in favor of the Agreement;

(d) "Order" means the contractual instrument whereby Buyer procures Products or Service from Seller;

(e) "Product(s)" means any product ordered by Buyer from Seller, manufactured in accordance with Seller drawings and manufacturing processes and procedures, including, without limitation, any production or spare component, and/or any technical publications;

(f) "Proprietary Information" means materials, data or intellectual property in which Seller has a proprietary interest, including, without limitation, (i) inventions, patents, trademarks, service marks, trade dress, logos, trade names, and corporate names (together with all goodwill associated therewith); (ii) copyright and copyrightable works (including, without limitation, all computer software associated with or embedded in Product(s)) (iii) trade secrets and know-how (including, without limitation, equipment and techniques used in the design, manufacture, servicing, testing, or delivery of Product(s)); and (iv) all other technical data and confidential business information of Seller (including without limitation, designs, drawings, specifications, customer and supplier lists, and financial or sales information).

(g) "Confidential Information" means information, whether of a technical, business or other nature, disclosed by or on behalf of the disclosing party hereunder to the receiving party hereunder which is (i) not generally known to the public; (ii) identified by the disclosing party hereunder as proprietary or confidential or (iii) that, by the nature of the circumstances surrounding the disclosure ought to be treated as proprietary or confidential.

(h) "Service" means the repair, overhaul, retrofit, and upgrade of Products purchased from Seller, training programs, exchange programs, leasing, Aircraft on Ground ("AOG") support, field support and engineering services.

ACCEPTANCE OF TERMS:

(a) The Agreement and these Terms constitute the entire agreement between the parties with regard to the subject matter hereof. No additions to or modifications of the Terms shall be binding unless agreed to by the Parties in a signed document executed by an authorized representative of each Party. The preprinted terms on Buyer's order or Seller's acknowledgment or invoice (or similar terms) shall not be applicable.

(b) If an Order or other communication between the Parties includes any term or condition contrary to, or in addition to, the Terms stated herein, such terms or conditions shall be of no force or effect.

(c) Each Party's communication of contrary or additional terms, however phrased, shall be construed as an offer to supplement and/or amend, and not as a rejection of, the Terms. Such offer to supplement and amend shall be deemed rejected unless accepted by the other Party in the manner set forth above in the second sentence of paragraph (a).

ORDERS: Any new, revised, or follow-on orders for Products or Service shall be deemed to be an Order and subject to these Terms. Orders may only designate the Products or Service being ordered, quoted prices, Order quantities,

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requested delivery dates, and shipping addresses. Seller's acknowledgment of receipt of Order shall not constitute acceptance. Seller's acceptance of an Order is expressly made conditional on assent by Buyer to Seller's Terms.

SHIPMENT AND DELIVERY: Product shipment terms are "FCA Seller's plant" (INCOTERMS 2010) unless otherwise agreed in writing by the Parties. Title shall pass to Buyer upon Seller's delivery of the Products to the carrier at Seller's plant. Orders shall reflect lead times as specifically agreed to by the parties. Seller shall use reasonable commercial efforts to meet delivery dates designated by Buyer. Product(s) shall be packaged in accordance with industry standards and commercial practices for Products. Seller reserves the right to charge Buyer for any additional costs associated with special routing, packing, labeling, handling or insurance requested by Buyer and agreed to by Seller. Partial shipments of complete Orders may be made at Buyer's approval. Delay in delivery of any installment shipments shall not relieve Buyer of its obligation to pay for any installment shipments received; or its obligation to accept remaining deliveries. Orders which have been accepted in writing by Seller, which (a) call for deferred deliveries scheduled over a stated time interval; (b) are subject to subsequent delivery instructions; or (c) are for repair Service, may not designate delivery dates beyond the date originally specified in Seller's quotation of prices (or beyond a reasonable time if no date has been so specified) except with Seller's written consent. Shipments may not be rescheduled or cancelled by Buyer within one hundred and twenty (120) days of Seller's scheduled shipping date, except with Seller's written consent. Buyer will not prevent such shipments through action or inaction.

QUOTATION VALIDITY: Unless otherwise noted on the face of a quotation, a quotation for production or spare Products or Service provided by Seller is valid for ninety (90) days from the date of the quotation. Availability of Products or Service is subject to prior sales.

FORCE MAJEURE: Subject to the provisions cited herein, Seller shall not be held in default by reason of any failure in the provision of Products or Service in accordance with these Terms which arises out of or relates to causes or events beyond the reasonable control of Seller ("Force Majeure Event"), including, but not limited to, acts of God, acts of government, terrorism, fires, floods, epidemics, earthquakes, quarantine, restrictions, strikes, lock-outs, freight embargoes or failure of any supplier of Seller as a result of a Force Majeure Event. Seller shall promptly provide Buyer with written notice when Seller becomes aware of any circumstance or event, which causes or may reasonably be anticipated to cause delay in delivery to Buyer. Such notice shall contain a detailed description of the nature of the delay. Within ten (10) days after such notice, Seller shall deliver a detailed written description of any recovery or work-around plan, alternative sources of supply and any other means that Seller shall, at its own expense, use to prevent further delay. If the delivery of Products or Service should be delayed by reason of a Force Majeure Event for more than thirty (30) days beyond the original scheduled delivery date, Buyer may, upon written notice to Seller, rescind the Order with respect to any undelivered Products or Service.

PRICES: Product prices quoted are firm, fixed and do not include freight or transportation charges or insurance, duties, export charges, tariffs, governmental charges, or applicable taxes, including, without limitation, excise, sales or use taxes. Any taxes (other than taxes with respect to Seller's income) payable on transactions hereunder shall be the responsibility of Buyer.

PAYMENTS: Payment terms are net forty-five (45) calendar days from date of Buyer's receipt of invoice and payment shall be made in United States currency. . In the event that Buyer is thirty (30) days delinquent in its payment obligation to Seller on undisputed amounts due and owing, Seller may, upon written notice to Buyer, withhold future shipments until all such delinquent amounts are paid. If such delinquent amounts remain unpaid thirty (30) calendar days after Buyer's receipt of such written notice above, Seller may then: (a) declare Buyer in default and terminate the Order; (b) deliver future shipments on a cash with Order or cash in advance basis; or (c) charge interest on delinquent amounts at a rate of one and one half percent (1-1/2%) per month or the maximum rate permitted by law, if lower, for each month or part thereof. The foregoing remedies are in addition to all other remedies available at law or in equity and any amounts due shall be payable without deduction, set-off, counterclaim, back charges, or any other charges or claims by Buyer of any nature, and Buyer's obligations to Seller shall remain unimpaired regardless of disputes which may arise between Buyer and third parties. This "Payments" clause shall survive the acceptance and complete performance of any Order.

INSPECTION AND ACCEPTANCE OF PRODUCT: Buyer shall upon delivery of any production, spare, or other Products, inspect and either accept or reject such Products within a reasonable period not to exceed thirty (30) calendar

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days from the date of delivery ("Acceptance Period"). Buyer shall promptly notify Seller and provide a specific written explanation of the basis for any Product rejection. All claims for shortages must be made in writing within fifteen (15) calendar days after receipt of Products by Buyer or Buyer's agent and specify with particularity the exact shortage. A Product will be deemed non-conforming if it is functionally defective, has deficient documentation, or does not conform to the relevant specifications contained in the applicable Order.

Buyer will, within ten (10) business days after receiving Seller's return authorization, return to Seller, or otherwise dispose of, any non-conforming Products pursuant to Seller's instructions and at Seller's expense, which return authorization will be given by Seller within thirty (30) days after Seller's receipt of Buyer's written notice of rejection for non-conformance. If Seller fails to furnish Buyer with such instructions, Buyer will return any non-conforming Products to Seller at Seller's expense in accordance with commercially reasonable practices. After receiving notice of rejection and non-conforming status, Seller will use reasonable efforts to ship conforming Products to replace any non-conforming Products unless Buyer cancels its Order with respect to such non-conforming Products, in which case a full refund will be given Buyer of any payments made to Seller for the non-conforming Product cancelled.

Buyer shall be deemed to have accepted any Product delivered hereunder and to have waived any right to reject, in the event that Seller does not receive notice of rejection within the Acceptance Period. Seller shall, at its option, be afforded a reasonable opportunity to inspect, repair or replace, as applicable, any Products Buyer alleges to be non-conforming. **NO GOODS ARE TO BE RETURNED TO SELLER WITHOUT WRITTEN INSTRUCTIONS FROM SELLER.**

PROPRIETARY INFORMATION: Seller grants to Buyer and Buyer's customer a non-exclusive, nontransferable (except as provided within this clause), limited license to use Seller's Proprietary Information solely as part of and in conjunction with the use of Products provided hereunder. All title, ownership rights, and intellectual property rights in and to such Proprietary Information shall remain with Seller and Buyer shall not: (i) modify, translate, reverse engineer, decompile, disassemble, or otherwise copy such Proprietary Information or create derivative works based upon such Intellectual Property; (ii) distribute, rent, lease, sell, transfer, sublicense, assign or otherwise transfer or allow others to use rights in or to such Proprietary Information; or (iii) remove, obscure or alter any notices or labels identifying or indicating Seller's ownership in and to such Proprietary Information.

SOURCE INSPECTION: Apart from qualified government inspectors, no inspectors or other representatives of Buyer will be allowed in Seller's plant without specific approval in writing signed by a duly authorized representative of Seller.

CHANGES: Buyer may request reasonable changes in specifications, shipment packaging, or delivery of any Product or part thereof covered by any Order by providing reasonable prior written notice thereof to Seller, and upon Seller's acceptance of such change, Seller shall be entitled to an equitable adjustment in the price and delivery schedule of such Product or part by providing revised terms to Buyer within thirty (30) days of receipt of Buyer's request for change. Buyer has the obligation to promptly negotiate and pay Seller's claim in good faith and with reasonable diligence, but in no event later than forty-five days after Seller's submission of its claim. Seller reserves the right to make changes in the design of its Products at any time, provided that the Product has equivalent form, fit, and function as defined by Seller's specifications without incurring any obligation to make equivalent changes in Products previously manufactured or shipped.

CHANGES CLAIM DISPUTE RESOLUTION: Upon written notice by either party to the other, any unresolved change claims will be referred to Buyer and Seller senior management for resolution. If the dispute is not resolved within 30 days of the date of the written notice, the dispute, upon written notice by either party to the other, will be referred to Buyer and Seller executive management for resolution. If the dispute is not resolved within 30 days of the date of the written notice, and absent written agreement of the parties otherwise, the dispute may be resolved as provided in the Disputes section below.

CANCELLATIONS: Buyer may cancel Order(s) only if Seller agrees to cancellation in writing and Seller may charge Buyer reasonable charges based upon costs and expenses already incurred and commitment made by Seller.

SPECIAL TOOLING AND DATA: Unless otherwise agreed in writing, all material, software, data, processes, equipment, facilities and special tooling including, without limitation, jigs, dies, fixtures, molds, patterns, special taps, special gauges,

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special test equipment, other special equipment and manufacturing aids and replacements thereof, used in the manufacture, servicing, testing, or delivery of Products shall be and remain the property of Seller.

GOVERNING LAW; VENUE: These Terms and any document subject to these Terms (including any Order) shall be interpreted in accordance with the laws of the State of New York, exclusive of any choice of laws provisions. Seller and Buyer expressly agree that the United Nations Convention on Contracts for the International Sale of Goods shall not be applicable to these Terms or any document subject to these Terms (including any Order). The parties agree that any suit brought in accordance with the "Disputes" clause hereof shall be brought in state or federal court sitting in the state of New York and irrevocably consent to the exclusive jurisdiction and venue of, and agree to be bound by any judgment and orders rendered by, such courts.

DISPUTES: Any dispute arising out of or related to these Terms, any document subject to these Terms (including any Order) or any Products or Service provided hereunder shall be decided by a court of competent jurisdiction in accordance with the laws of the state of New York. Pending final resolution of any such dispute, the parties agree to proceed with performance of any Order in accordance herewith.

EXPORT COMPLIANCE: Unless otherwise agreed in writing, Buyer shall be responsible for compliance with the U.S. export control laws and regulations applicable to the Product or Service including, without limitation, those of the U.S. Government Office of Foreign Assets Control (OFAC), Export Administration Regulations (EAR) and the International Traffic In Arms Regulations (ITAR). Seller shall not be held liable to Buyer for any failure to deliver Products as a result of the U.S. Government's (i) refusal to grant any export or re-export license; (ii) cancellation of any export or re-export license; or (iii) any subsequent interpretation of a law or regulation, after the date of an Order that adversely impacts or effects Seller's costs or ability to perform its obligations. Seller will reasonably cooperate and assist Buyer with export compliance requests.

OFAC/EAR/ITAR COMPLIANCE CERTIFICATION: For all Products, Services, and associated technical data to be received by Buyer from Seller, Buyer certifies that it will not export, re-export, or transport any such Product or data, or otherwise perform any act, contrary to OFAC, EAR, or ITAR prohibitions and restrictions. This includes, but is not limited to, observing all OFAC country and list-based sanctions and complying with all EAR Part 736 and 744 restrictions.

WARRANTY: Seller warrants that (a) Seller has good title to each Product at the time of sale to Buyer and (b) each Product provided to Buyer pursuant to any Order shall be free from defects due to faulty workmanship or material ("Seller's Warranty"), for a period of one (1) year for each such Product. Seller's Warranty shall begin on the date the Product is received by Buyer's customer ("Warranty Period"). Buyer may assign Seller's Warranty to its customers.

The obligations and liabilities under Seller's Warranty under this Agreement are expressly limited to the replacement or the repair by Seller of Products, and shall not include any removal or reinstallation costs, or the costs of any recall program incident to such correction or replacement.

WARRANTY LIMITATIONS: THE ABOVE "WARRANTY" IS EXCLUSIVE AND IN SUBSTITUTION FOR, AND SELLER HEREBY DISCLAIMS, AND BUYER HEREBY WAIVES, ALL OTHER WARRANTIES OF SELLER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY DEFECT IN ANY PRODUCTS, INCLUDING, WITHOUT LIMITATION, ANY (1) IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE, (2) ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE, AND (3) ANY RECOVERY BASED UPON LOSS OF USE OR PROFIT OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES. EXCEPT AS SET FORTH IN THIS AGREEMENT, THIS WARRANTY SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY SELLER AND BUYER. IN THE EVENT THAT ANY PROVISION HEREOF SHOULD FOR ANY REASON BE HELD INEFFECTIVE, THE REMAINDER OF THIS ARTICLE SHALL REMAIN IN FULL FORCE AND EFFECT.

No promise or affirmation of fact made by any employee, agent, or representative of Seller, nor any sample provided, shall constitute any additional warranty or give rise to any liability or obligation. Seller neither expressly nor impliedly warrants, nor makes any representation whatsoever, as to service life of its Products, since conditions of usage and experienced service life are neither within the control of nor knowledge of Seller. In no event shall Seller be responsible

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for claims resulting in whole or in part, directly or indirectly, from the misuse, abuse or mishandling of new, serviced, or defective or nonconforming Products or for the costs of labor and/or materials expended on any such Products by Buyer, or for Products that have been the subject of a replication (i.e., reverse engineering) program, either formal or informal, sponsored or supported by Buyer or any other entity.

Buyer's sole remedy and Seller's sole obligation with respect to any Product determined by Seller, in its sole reasonable discretion, to be in breach of Seller's Warranty is, at Seller's sole reasonable discretion, the repair or replacement of such Product. Replacement parts may be new or reconditioned.

WARRANTY MANAGEMENT: Buyer must notify Seller in writing concerning any Product allegedly defective or otherwise not in conformity with Seller's Warranty as soon as practicable, but in no event later than one hundred twenty (120) days after discovery of such defect or nonconformity subject to the Warranty Period set forth above. Buyer's written notice must set forth with particularity the nature and extent of the defect or nonconformity.

Failure to furnish a written claim within the applicable Warranty Period shall terminate all warranty liability of Seller. Seller must be given the opportunity upon written demand to inspect Products claimed to be defective or nonconforming. Buyer shall return non-conforming and/or defective Products to Seller upon receipt of Seller's authorization to do so and at Seller's risk and expense. Buyer must demonstrate to the reasonable satisfaction of Seller that any alleged defective or nonconformity of Products was solely caused by a breach by Seller of Seller's Warranty. Buyer shall not, under any circumstances, exercise set-off against outstanding or subsequent invoices of Seller without Seller's written consent for any warranty claim.

Unless otherwise agreed by Seller in writing, Seller's warranty runs only to the Buyer designated in any Order and Buyer's customer and is non-transferable and non-assignable either directly, indirectly, or by operation of law. Any purported or attempted transfer or assignment of Seller's warranty hereunder shall be deemed null and void.

SEVERABILITY: If any provision of these Terms is determined by a court of competent jurisdiction to be illegal, invalid, or unenforceable, for any reason, the remainder shall remain valid in full force and effect.

ELECTRONIC ACCESS: Buyer and Seller acknowledges that any attempts to electronically access any data or other materials of the other Party or make any attempts to circumvent any security measures of the other Party designed to prevent unauthorized electronic access to such data or materials, may be in violation of the United States federal Computer Fraud and Abuse Act, and other applicable United States federal and state statutes, and may subject the violator to criminal and civil penalties.

EQUAL EMPLOYMENT OPPORTUNITY: Seller will comply with Executive Order No. 11246, dated September 24, 1965, as amended by Executive Order No. 11375, dated October 13, 1967, and all administrative regulations issued pursuant thereto; said Executive Order is hereby incorporated by reference and Seller agrees to be bound by paragraphs (1) through (7) of Section 202 thereof. Seller certifies that it does not maintain any segregated facilities for its employees and that it will not permit its employees to perform services at any location where segregated facilities are maintained. When applicable, Seller will be bound by Section 503 of the Rehabilitation Act of 1973 and Section 402 of the Vietnam Era Veterans Readjustment Assistance Act. This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities. This contractor and subcontractor shall abide by the employee notice requirements set forth in 29 CFR Part 471, Appendix A to Subpart A.

DPAS: If a DO/DX priority rating is assigned to an applicable Order, Seller is required to comply with the mandatory requirements of the Defense Priorities and Allocations System (DPAS) (15 CFR, Part 700).

GOVERNMENT CONTRACT: If the Order expressly states that such order is a "Government Contract", the required Federal Acquisition Regulation provisions and agency supplemental provisions in effect on the date of an Order are applicable to such Order.



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If there is an express conflict between the terms of an Order and the provisions the Agreement and these Terms and Conditions, then the terms of the Agreement shall prevail, provided, however, in the event of any conflict between the terms and conditions of the Agreement, an Order for Government Contract incorporating Government clauses by reference, then the terms and conditions of the latter shall prevail.

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Exhibit D
Anti-Bribery Compliance Procedure (CP-102 ABC)



CP-102-ABC.pdf



Execution Version

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Exhibit E
Distributor Price List