

NORTHROP GRUMMAN

Northrop Grumman Corporation
Aerospace Systems

Military Aircraft Systems
2000 W. NASA Blvd
Melbourne, FL 32904

CTR/LTR 039291
6 December 2017

From: Aerospace Systems

To: AAR Supply Chain, Inc.
1100 North Wood Dale Road
Wood Dale, Illinois 60191

Attention: Rex Hervias

Subject: **Distributorship Agreement between AAR Supply Chain, Inc. and Northrop Grumman Systems Corporation Recommended Revisions**

Reference: (a) Distributorship Agreement, dated 22 July 2013
(b) Distributorship Agreement Amendment 1, dated 24 May 2017

With respect to References (a) and (b), Northrop Grumman Systems Corporation (NGC) would like to propose the following revisions for consideration:

DISTRIBUTORSHIP AGREEMENT

- Change 600 Grumman Road West, Bethpage, New York 11714 to 2000 W. NASA Blvd Melbourne, FL 32904.
- Update AAR Parts Trading, INC to AAR Supply Chain, INC

6. NOTICES

- Update Seller's information to: Northrop Grumman Systems Corporation
Aerospace Systems
2000 W. NASA Blvd
Melbourne, FL 32904
Attention: Vicki DeBlasio
Vicki.DeBlasio@NGC.com
- Update Distributor's name to "AAR Supply Chain, INC"

7. WARRANTY

- Update the first sentence to state: "Seller's Warranty for the Products covers workmanship and material only and shall be thirteen months from the time of delivery to Distributor."

9. TERMINATION

- Insert the following in Section F between the first and second sentence: "Upon termination of the overarching agreement, any open Purchase Orders will be terminated concurrently."

11. RETURNS

- Sentence 1 will state: "Distributor may return for warranty claims only to Seller for credit, exchange or refund, any and all Products with Distributor purchases within the warranty period."
- Insert the following sentence after sentence 1: "Within 60 days of receipt, Seller has the right to dispute return claims."
- Remove the following sentence: "Seller will, if the Products so returned are unused, and undamaged, issue to the Distributor a credit, or refund equal to the gross amount paid to Seller by the Distributor for such Products."
- Update sentence to say "This return policy applies only in the event the Distributor returns product to the Seller."

15. COUNTERPARTS

- Seek Clarification on this section – what is the intent?

20. PENALTY FOR LATE DELIVERY

- Update paragraph one to state: " In the event any failure to perform or delay in performance by Seller under this Agreement arises out of causes other than those excused under the clause entitled "Excusable Delays" and after the agreed upon date on the Purchase order, the following shall apply:"

If you have any questions regarding the subject effort, please contact Brittini Smith, E-2 Contracts, at (321) 586-8491.

Respectfully,

NORTHROP GRUMMAN SYSTEMS CORPORATION
Aerospace Systems



Melissa Marszal
E-2 International Contracts
Military Aircraft Systems