

**AMENDMENT NO. 1**  
**TO**  
**DISTRIBUTORSHIP AGREEMENT**

THIS AMENDMENT NO. 1 TO DISTRIBUTORSHIP AGREEMENT ("Amendment"), dated as of May 24, 2017, is between AAR Supply Chain, Inc. (f/k/a AAR Parts Trading, Inc.) an Illinois corporation with a place of business at 1100 N. Wood Dale Road, Wood Dale, IL 60191 ("Distributor") and Northrop Grumman Systems Corporation, a Delaware corporation with a place of place of business at 600 Grumman Road West, Bethpage, New York 11714 ("Seller").

WHEREAS, Seller and Distributor are parties to that certain Distributorship Agreement, dated July 22, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"); and

WHEREAS, the parties wish to amend the Agreement, as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Terms used herein but not defined shall have their meanings as set forth in the Agreement.
2. Section 2.B. of the Agreement is hereby deleted in its entirety and replaced with the following:

"Distributor shall pay Seller the full Purchase Price for the Products in the following increments: Upon placement of an order by Distributor, Seller shall accept the order by sending Distributor an invoice for 40% of the Purchase Price of the Products in such order (the "Initial Invoice"). Distributor shall pay the Initial Invoice within thirty (30) days of receipt of such invoice.

Upon confirmed delivery of the relevant order by Distributor, Seller shall invoice Distributor for the 60% balance of the Purchase Price of the Products in such order ( the "Final Invoice"). Distributor shall pay the Final Invoice within thirty (30) days of receipt of such invoice."

3. Except as expressly amended above, all other terms and conditions of the Agreement shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed as of the day and year set forth above.

**AAR SUPPLY CHAIN, INC.**

By:   
Name: John Holmes  
Title: President

**NORTHROP GRUMMAN SYSTEMS CORPORATION**

By:   
Name: \_\_\_\_\_  
Title: MELISSA MARSZAL, Contracts Manager  
E2/C2 International Programs