

DISTRIBUTORSHIP SERVICES AGREEMENT AAR-2018-0119
Amendment 02

This Amendment No. 02 is made as of 12 June 2023 to Distributorship Services Agreement AAR 2018-0119 dated 1 March 2018 as subsequently amended, by and between Raytheon Technologies Corporation, acting through its Pratt & Whitney division, a Delaware Corporation with its principal place of business in East Hartford, Connecticut (the "Company"), and AAR Supply Chain, Inc., AAR Allen Services, Inc. and AAR International, Inc., each an Illinois corporation and having offices located at 1100 N. Wood Dale Road, Wood Dale, Illinois (as applicable, each "AAR" or "Distributor"). The Distributor and Company are each sometimes referred to herein as a "Party" or collectively as the "Parties".

WITNESSETH

WHEREAS, the Parties have entered into a Distributorship Services Agreement, AAR-2018-0019, dated 1 March 2018, (which Distributorship Services Agreement, as amended, is hereinafter referred to as the "Agreement"); and

WHEREAS, the Parties now desire to amend the Agreement.

NOW THEREFORE:

The Parties hereby agree to incorporate the following Exhibits into the Agreement to be utilized for spares procurements only to support AAR contracts as so noted. Any Purchase Orders for Auxiliary Power Units shall not be subject to any of the following as terms conditions and requirements are subject to separate review and acceptance:

Exhibit I – Supplemental Purchase Order Flow Down Clauses GOA 19000330

Exhibit K - Supplemental Purchase Order Flow Down Clauses AAR Basic Ordering Agreement (BOA),
SPE4A1-19-G-0022

In the event one of the above exhibits apply to a procurement, AAR shall incorporate the exhibit within the header of the Purchase Order. In the event any additional terms, conditions or requirements are needed, AAR shall annotate the requisite clauses into the header of the purchase order which shall be subject to P&W review and written acceptance.

Except as modified above, all the provisions of the Agreement remain the same, and the Agreement, as modified hereby, is reaffirmed.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 2 as of the last date below.

RAYTHEON TECHNOLOGIES CORPORATION

Pratt & Whitney

By:



Name: Paige M. Johnston

Title: Senior Manager, Contracts

Date: 12 June 2023

AAR SUPPLY CHAIN INC

By: 
Name: Frank Landrio

Title: SVP, Strategy and OEM Business Development

Date: 6/12/2023

AAR INTERNATIONAL, INC

By: 
Name: Tom Hoferer

Title: Vice President, Repair & Engineering

Date: 6/12/2023

AAR ALLEN SERVICES, INC.

By: 
Name: Tom Hoferer

Title: Vice President, Repair & Engineering

Date: 6/12/2023

Exhibit I- Supplemental Purchase Order Flow Down Clauses GOA 1900330

Mandatory Flow Downs are defined as the contract clauses required by the Code of Federal Regulations (ex. Federal Acquisition Regulation) and agency implementing regulations (ex. Defense Logistics Acquisition Directive) for United States government contracts. Mandatory Flow Downs are binding on Purchase Orders received by Raytheon Technologies Corporation pursuant to the Distribution Services Agreement with the Distributor, dated March 1, 2018. Mandatory Flow Downs, listed in Exhibit I, are hereby incorporated into the Distribution Services Agreement by reference and shall have the same force and effect as if set forth in full text, and shall be effective as of the effective date of the Purchase Order, unless an alternative effective date has been agreed otherwise.

Any additional clauses which may be agreed to by AAR with its customer for incorporation into an issued Purchase Order shall be subject to Pratt & Whitney (P&W) review and acceptance. Upon P&W's acceptance, all such agreed to clauses shall be annotated on the face of the Purchase Order.

GOA 1900330

1. SHIPPING AND PACKAGING

Seller shall package and ship Articles in accordance with best commercial practices to the address indicated on the Purchase Order.

2. STOP WORK

In the event Buyer's contract is placed under a stop work order by its customer Buyer may direct, by written notice, Seller to stop work on all or any portion of this Contract. When directed by Buyer, Seller will promptly stop work to the extent specified in the notice for a period of up to ninety (90) calendar days or longer if extended by mutual agreement. Seller shall take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Order during the period of the stop work.

Within such period, Buyer may either terminate or continue the work by written order to the Seller. If a Stop Work notice is cancelled or the period of the Stop Work notice or any agreed extension thereof expires, Seller must resume work and Buyer and Seller agree to work in good faith to negotiate an equitable adjustment in the price and/or delivery schedule. The Seller shall assert its right to such adjustment within 30 days after the end of the period of work stoppage.

3. QUALITY CONTROL/INSPECTION

Seller must provide evidence of, upon request by Buyer, and maintain a Quality Management System in accordance with the latest revisions to ISO-9001 or AS/EN-9100.

Seller must also be in compliance with the applicable Supplier Quality Requirements Manual (SQRM-001) Rev E, dated 10/31/17, in accordance with the compliance matrix which is included in this document as Addendum A – SQRM Compliance Matrix.

4. SUSPECT/ COUNTERFEIT PARTS

(A) Seller shall supply Articles that are not and do not contain suspect/counterfeit parts. A suspect/counterfeit item is an item in which there is an indication by visual inspection, testing or other information that it may not conform to established government or industry accepted specification or nation consensus standards. A suspect/counterfeit item is any item that is a copy or substitute without legal right or authority to do so, or one whose material, performance, characteristics or identity is not authentic. The term also includes approved Article that has reached a design life limit or has been damaged beyond possible repair but are altered and deliberately misrepresented as acceptable. Failure by Seller to document material substitution or identify that an item has been refurbished or remanufactured is considered to be fraud, and the item then becomes suspect/counterfeit.

(B) If Buyer makes a Determination that a suspect/counterfeit part has been supplied, Buyer will impound the items pending a decision on disposition. Notwithstanding anything else to the contrary herein, Seller shall replace such items with items acceptable to Buyer and shall be liable for all costs relating to the impoundment, removal, and replacement. The Buyer shall notify the applicable representatives and reserves the right to withhold payment for the items pending results of the investigation. The remedies contained in this paragraph are in addition to any remedies Buyer may have at law or under other provisions herein. In the event Buyer's determination is deemed to be incorrect, Buyer shall reimburse all reasonable costs incurred by Seller.

5. DELIVERY

Should Seller experience or anticipate any delay in performing the Order, Seller must promptly notify Buyer in writing of such delay, its expected duration and the reasons thereof.

6. INFORMATION ON POLITICAL CONTRIBUTIONS AND FEES OR COMMISSIONS IN CONNECTION WITH THE SALE OF DEFENSE ARTICLES OR SERVICES

Seller agrees to comply with the obligations to provide information related to the payment of "political contributions" or "fees or commissions" as set forth in 22 CFR Part 130.

7. CONFLICT MINERALS

Seller shall promptly provide such written certifications concerning Conflict Minerals contained in products, components, parts and materials supplied to Buyer by Seller as Buyer may request in writing from time to time. Seller represents and warrants that it is in compliance with the SEC Conflict Minerals laws. Seller represents, warrants and certifies that its products, parts, components and materials are not, and will not be, produced with child, indentured, forced or prison labor.

8. CHANGES

Changes to the Purchase Orders issued by AAR to Pratt in support of the GOA 1900330 may be made only by written agreement of the parties.

Exhibit I- 1- FAR and DFARS Clause Flow Downs

The following clauses are incorporated by reference and made a part hereof. The dates of these clauses are the dates in effect in the Bell/ U.S. Government Prime Contract (29 September 2017).

If so identified, this Purchase Order is a “rated order” certified for national defense use, then Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

If the Purchase Order exceeds \$10,000, Seller and Seller’s shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

If the Purchase Order exceeds \$100,000, Seller shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

1. The following FAR clauses apply to this Contract:

52.203-15 WHISTLEBLOWER PROTECTIONS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (JUN 2010) (applicable if contract is funded in whole or in part with Recovery Act funds)

52.203-19 PROHIBITION ON REQUIRING CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS OR STATEMENTS (JAN 2017)

52.204-21 BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS (JUN 2016)

52.212-4 Contract Terms and Conditions-Commercial Items (MAY 2015)

52.222-21 PROHIBITION OF SEGREGATED FACILITIES (APR 2015)

52.222-26 EQUAL OPPORTUNITY (SEPT 2016) (Only subparagraphs (c)(1)-(11) apply.)

52.222-50 COMBATING TRAFFICKING IN PERSONS (MAR 2015)

52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING (AUG 2011)

52.225-13 RESTRICTION ON CERTAIN FOREIGN PURCHASES (JUN 2008)

2. The following FAR clause(s) apply to this Contract if the value of this Contract exceeds \$10,000:

52.222-40 NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT (DEC 2010) (Applicable if the Seller shall perform wholly or partially in the United States)

1. The following FAR clause(s) apply to this Contract if the value of this Contract exceeds \$15,000:

52.222-36 EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES (JUL 2014)

2. The following FAR clause(s) apply to this Contract if the value of this Contract is equal to or exceeds \$150,000:

52.222-35 EQUAL OPPORTUNITY FOR VETERANS (OCT 2015)

3. The following FAR clause(s) apply to this Contract if the value of this Contract exceeds \$6,000,000 and the period of performance is more than 120 days:

52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (OCT 2015) (By signing a contract or performing against a contract in which FAR 52.203-13 is applicable: Seller hereby certifies that it will comply with all elements of FAR 52.203-13 including timely disclosure, in writing, to the agency Office of the Inspector General (OIG), with a copy to the Contracting Officer, and the cognizant Buyer Procurement Representative whenever, in connection with the award, performance, or closeout of this contract or any subcontract thereunder, Seller has credible evidence that a principal, employee, agent, or subcontractor of the Contractor has committed—

(1) A violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or

(2) A violation of the civil False Claims Act (31 U.S.C. 3729-3733). Seller also certifies that, within 30 days of signing a contract or performing against a contract in which FAR 52.203-13 is applicable, Seller will establish a written code of business ethics and conduct and will make a copy of the code available to each employee engaged in performance of the contract.

Paragraph (c) of this clause does not apply if Seller has represented itself as a small business concern pursuant to the award of this contract or if this contract is for the acquisition of a commercial item as defined at FAR 2.101.)

7 The following FAR clauses apply as indicated:

52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (APR 2008) (Applicable only if so identified as a "rated order").

8. The following DFARS CLAUSES apply as indicated:

252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (APR 2014)

252.204-7012 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING (OCT 2016) (Applicable if covered defense information is resident or transiting through Seller's information systems; (b)1(ii)(A), Seller shall provide to Buyer a copy of the notification sent to DoD CIO at the time such notification is sent; (b)1(ii)(B), Seller shall provide to Buyer a copy of the effective security measures and/or equivalent protections as accepted by DoD CIO at the time such measures are accepted; (c)1(ii), Seller shall provide a copy of cyber incident reports to Buyer at the time such incident is reported to DoD CIO; If Buyer is subject to any liability or expense, including government withholding of payments, as the result of Seller or its lower-tier sub-contractors' failure to comply with the subject clause and the requirement therein, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any damage or expense resulting from such action.)

252.211-7003 ITEM IDENTIFICATION AND VALUATION (DEC 2017) (Applicable if so specified on Seller's drawing)

252.225-7001 BUY AMERICAN AND BALANCE OF PAYMENTS PROGRAM (DEC 2016)(Applicable if the Articles contain other than domestic components. Applicable in lieu of FAR 52.225-1 and FAR 52.225-5. Component test of the Buy American Act is waived for an end product that is a COTS item.)

252.225-7009 COMMERCIAL DERIVATIVE MILITARY ARTICLE—SPECIALTY METALS COMPLIANCE CERTIFICATE. (OCT 2014)(Applicable if DFARS Clause 252.225-7009 is applicable and commercial derivative military Articles will be delivered under this Contract.)

252.225-7036 BUY AMERICAN -- FREE TRADE AGREEMENTS - BALANCE OF PAYMENTS PROGRAM. (DEC 2017) (Applicable if the Articles contain other than domestic components.)

252.225-7048 EXPORT-CONTROLLED ITEMS (JUN 2013) (Applicable if the Seller expects or involves access to or generation of export-controlled items)

252.246-7007 CONTRACTOR COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE SYSTEM (AUG 2016) (Applicable to the extent Seller is supplying electronic parts or assemblies containing electronic parts)

Addendum A- SQRM Compliance Matrix



GO BEYOND

Pratt & Whitney
400 Main Street
East Hartford, CT 06118

Reference: P&W-2020-PMJ-001

December 4, 2020

AAR Defense Systems & Logistics
1100 North Wood Dale Road
Wood Dale, Illinois 60191

Attention: Christopher Gross

Subject: Authorization to Utilize Bell/Pratt & Whitney Subcontract Quality Requirements Manual (SQRM-001) Rev E, dated 10/31/17, SQRM Compliance Matrix

Reference: 1) AAR e-mail from C. Gross, dated 24 September 2020 "REQUEST: Understanding P&W/Bell V22 agreement"
2) Distribution Agreement by and Between United Technologies Corporation Pratt & Whitney Division and AAR Supply Change, Inc., AAR Allen Services, Inc., and AAR International, Inc., Agreement No AAR-2018-2019, dated March 1, 2018

Dear Chris,

The purpose of this letter is to provide AAR authorization to utilize the attached document as requested in the reference 1) e-mail. Pratt & Whitney (P&W) requested and received authorization from Bell to share and utilize this document with AAR as it is contained in the Bell/P&W General Ordering Agreement (GOA) 1900134. This authorization is limited to AAR Purchase Orders for V-22 components placed with P&W. In accordance with the requirements of reference 2), AAR shall not share this information and shall protect the data in accordance with the requirements.

Should you have any questions, please contact the undersigned at paige.johnston@prattwhitney.com or 561-339-6169.

Sincerely,

Paige M. Johnston
Contract Manager

Attachment: Addendum A – SQRM Compliance Matrix

Article No.	Requirement	Accept	Exception	Accepted with Comments	Comments
Introduction	<p>Bell Helicopter Textron Inc. is committed to delivering safe and innovative vertical lift solutions to meet business requirements by always putting customers first and focusing on safety and quality above all throughout the enterprise and supply chain.</p> <p>A key to Bell's success is the timely provision of quality products and services by Suppliers that are also committed to meeting or exceeding customer requirements. Bell therefore develops and maintains relationships with Suppliers having proven capabilities to meet Bell requirements. In support of these relationships, Bell has developed this manual based on Aerospace Standard AS9100 to communicate quality requirements and expectations that will assure compliance to Bell customer requirements.</p> <p>A company's approval as a Supplier is initiated by Bell Purchasing with verification that the company's Quality Management System is in compliance with applicable requirements. Bell may withhold or withdraw all or any part of an approval when the necessary controls for assuring compliance to contractual requirements are not being provided.</p> <p>Bell Helicopter and appropriate Government/regulatory agencies reserve the right to conduct surveillance of the Supplier's quality system, processes inspections/testing, etc. affecting product compliance to contractual requirements. No section of this manual supersedes any Government / regulatory agency's FAR, DFAR, or contractually flowed clauses.</p>	X			
2.1 Customer Access	Supplier shall grant access by duly authorized representatives of Bell or appropriate Government regulatory authority to applicable areas of all facilities at any level of the supply chain and to all applicable records pertaining to work performed in meeting Bell purchase order requirements.	X			
2.2 Supplier Requests and Submittals	Supplier shall contact Bell Purchasing for instructions on process for submitting request for information, clarification, deviation, variation or waiver from Engineering or Quality requirements. When not otherwise provided, Supplier shall contact Bell Purchasing for instructions on or forms required in submitting data or information required by Engineering or Quality requirements.	X			
2.3 Supplier Delegation	Supplier shall perform product verification for individual part numbers per the requirements of Appendix VII of this manual when delegated by Bell.	X			Are they going to give us a letter?
2.4 Pre-Ship Authorization	Supplier shall submit required product certifications/shipping documents in electronic format to Bell for review prior to shipment when written Bell notification is received requiring participation in the "Pre-Ship Authorization" (PSA) process. Submittals will be made using applicable module in the "Supplier Material Assurance Release Tool" (SMART) system. As applicable, PSA submittals will include, but not be limited to, Certificate of Conformance, First Article Inspection Report, test reports, and other documents accompanying shipped product.			X	Both e and paper copies are needed to expedite release/receiving of shipments. WPB and GDC need to have access to portal SMART ASN/PSA. Confirm with Mel that FAI can be submitted electronically.
2.5 Source Inspection	Supplier shall support Bell and/or Government performance of product verification at the Supplier's facility (source inspection) as defined/required by applicable Bell purchase order. This source inspection may include any one or all of the following: First Article Inspection verification, "In-process" inspections, "Final" inspection. Inspection and acceptance of product at Supplier's facility by Bell or Government Representative does not relieve the Supplier from responsibility for product compliance to contract requirements.			X	Source Inspection applicable to FAI only.
2.6 Contract Deliverable Data	Supplier shall support use of Bell web based "Electronic Contract Deliverable Data Submittal" (E-Data) tool (www.sell2bell.com) when selected, notified and trained by Bell.	X			
2.7 Requirement Conflict Resolution	In cases of conflict between the Bell purchase order or Bell Engineering requirements versus the requirements of this manual, the purchase order or engineering requirements shall take precedence.	X			

3. Terms and Definitions	Supplier: Company providing products or services in support of Bell purchase orders, including direct PO, sub-tier sources, and processing sources.	X			
3. Terms and Definitions	Significant Characteristic: A characteristic highlighted by Design Engineering to communicate, throughout the manufacturing process, a special need for emphasis on properly performing operations affecting the characteristic.	X			
3. Terms and Definitions	Critical Characteristic: For Flight Safety Parts, a critical characteristic is one that, if not in conformance with design requirements, missing or degraded could cause failure or malfunction of the Flight Safety Part during the life cycle of the Controlled Item. For Critical Parts, a critical characteristic is one that, if not in conformance with design requirements, could increase the probability of occurrence of one of the failure modes during the life cycle of the Controlled Item. The life cycle shall cover manufacture, operation, field maintenance, and overhaul of the Controlled Item.	x			consistent with PW KPCs
4.1 General Requirements	Supplier shall maintain a quality management system in compliance with applicable requirements of the latest issue of quality system standards for product or service being provided as shown on table below and with applicable requirements of this manual.	X			P&W is a manufacturer per Bell definition and a supplier of non-Bell part numbers. Compliance to AS9100 standard is required for Supplier of non-Bell part numbered items.
	Results and documentation of registration and/or surveillance audits shall be available for review. In the event Supplier's AS9100 or Nadcap® accreditation is removed or withdrawn, the Supplier shall immediately notify Bell.			X	Notification of loss of AS9100 certification will be provided within a reasonable timeframe.
	Subsequent to Bell approval, Supplier shall provide Bell Quality written notification of any changes to the Supplier's Quality Management System affecting inspection, conformity, and/or airworthiness. In addition, any changes to company ownership, name, location, significant facility change, or changes in Senior and/or Quality Management, shall also be submitted in writing to Bell.			X	P&W will provide notification of any major changes to the Supplier's Quality Management System affecting inspection, conformity, and/or airworthiness of this program only. We have an AS9100 certified quality management system with FAA and DCMA oversight on major changes.
4.1 Table : Supplier type - Processor	Nadcap® AC7004 - Nadcap® accreditation is required for sources of processes defined by Bell Engineering (See Appendix X for list of processes requiring NADCAP accreditation). (Nadcap® Exemption: Bell approved manufacturers performing these processes in-house.) (Nadcap® Exemption: Testing facilities performing these processes may maintain accreditation to ISO 17025 and all applicable test methods through an ILAC signatory.)				N/A not a processor, supplying an end item
4.1 Table : Supplier type - Distributor	AS9120 - Compliance to standard is required. (AS9100 or AS9120 registration represents evidence of compliance) Compliance to standard is required for Supplier of non-Bell part numbered items.				N/A not a distributor, supplying an end item
4.2 Documentation Requirements	Supplier shall maintain an English translation of all quality documents related to Bell products. Unless otherwise required by contract, Supplier shall retain quality records for a minimum of 5 years for non-controlled items and 10 years for controlled items (see Appendix VI) after final delivery of the Bell purchase order item. Records shall be retrievable and available for review by Bell or applicable governing agency. Suppliers experiencing business changes that affect retrievability and availability of quality records shall contact Bell for instructions on disposition of the records pertaining to Bell purchased product.			X	P&W will follow their own record keeping schedule of 5/10/40 and record disposal procedures.

5. Management Responsibility	no addnl	X			
6.0 Resource Management	no addnl	X			
7.1 Planning for Product Realization	<p>Supplier's risk management program shall be in accordance with the guidelines established by SAE ARP9134 (or equivalent) and AS9100 to effectively assess those elements from all aspects of the business that could affect the quality or delivery schedule of the product or service being provided. The program shall be made available to Bell upon request</p> <p>Risk management program shall address as appropriate:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Assignment of responsibility for risk management <input type="checkbox"/> Definition of assessment criteria <input type="checkbox"/> Communication of risks to applicable sections of the enterprise <input type="checkbox"/> Management of risk that exceeds defined criteria <input type="checkbox"/> Method for acceptance of remaining risk after mitigating actions 			X	P&W has an equivalent Risk Management process
7.2 Customer Related Proceses	no addnl	X			
7.3 Design and Development	When design data is provided in three-dimensional format, storage, retrieval and use of the data shall be, as a minimum, per applicable requirements of latest issue to SAE ARP9034 "A Process Standard for the Storage, Retrieval and Use of Three-Dimensional Type Design Data."				Engineering requirement - question for B. Pattison
7.4 Purchasing	Supplier shall be responsible for evaluation and selection of sub-tier sources. Supplier's purchasing information provided to sub-tier sources shall include applicable requirements of the Bell contract/purchase order.	X			
	Supplier utilizing test reports to verify conformance of purchased metallic raw material to applicable specification requirements shall periodically validate the reports through independent testing of material received. At a minimum, testing shall annually validate chemical and physical characteristics of different material specifications and individual sources of the different materials that are used in manufacturing product for Bell use. Reports of this validation testing shall be legible, shall include the material designation, specification and revision letter (material must be certified to the latest revision in effect at the time testing). Reports shall also include results of all specified testing requirements, the mill heat number, any other requirements specified on the applicable material purchase order and shall be traceable to the material tested.			X	Suppliers are required to periodically validate test reports for raw materials.
7.4.1 Counterfeit Parts Control	Supplier shall establish requirements, practices and methods to mitigate the risks of receiving and providing Bell with counterfeit parts. These requirements shall meet the intent of SAE AS6174 "Counterfeit Materiel; Assuring Acquisition of Authentic and Conforming Material" and SAE AS5553 "Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition." Supplier shall have traceability for non-electrical standard parts (fasteners, nuts, washers, o-rings, etc.) and electronic component parts to the Original Component Manufacturer (OCM), Original Equipment Manufacturer (OEM), Authorized Aftermarket Manufacturer (AAM) or authorized distributor. Certification of product requiring specific source(s) of manufacture shall include name and location of all supply chain intermediaries from the source providing the product to the approved original manufacturing source.	X			
7.4.2 Supplier Self Verification Control	Supplier delegating product verification to their sub-tier sources shall establish a documented delegation program defining program requirements (e.g. initial approval, maintenance, and removal/withdrawal) and maintain a list of delegated sources. AS9117 "Supplier Self Verification Process / Delegation Programs" shall be used for guidance. Supplier shall submit documented program procedures/requirements to Bell and obtain written approval from a representative or manager of BHT Supplier Product Assurance or BHC Procurement Quality prior to use on Bell product.	X			

7.5 Production and Service Provision	Assemblies susceptible to the introduction of foreign materials shall be controlled through a documented Foreign Object Damage (FOD) prevention program for prevention/detection of FOD prior to assemblies shipping to Bell. NAS 412 shall be used for guidance. Supplier of assemblies and equipment susceptible to damage by static electricity shall maintain a documented Electrostatic Discharge Control (ESD) Program. The intent of MIL-STD-1686 and MIL-HDBK-263 shall be met. Supplier manufacturing planning shall be per AS9100 except for product designated per Bell's Controlled Item Program ("Primary", "Critical", "Flight Safety", or "Fatigue Controlled"), see Appendix VI of this manual.	X			
7.5.1 First Article Inspection	Supplier shall perform and document First Article Inspections (FAI) per the requirements of AS9102, "Supplier FAI Guidelines For AS9102" and this manual. Supplier shall maintain on file the applicable FAI reports for any product actively supplied. NOTE: "Supplier FAI Guidelines For AS9102" can be found at www.Sell2Bell.com. Requirements for FAI do not apply to fasteners and standards manufactured per a military or industry controlled specification, purchased standard catalog hardware, Bell standards, and decals/labels with a Bell part number. Supplier FAI Report and associated certifications/documents shall be uploaded to the Enovia FAI application in the Sell2Bell portal per the requirements noted below or as required by purchase order.	X			
	FAI Reports provided to Bell shall use AS9102 required format. Use of various form media, e.g. Excel, Lotus, FAI software, etc., is allowed and shall also include the following additional information: Bell purchase order number for PO line item FAIR; reference Form 1 Field 12. Enovia Part Revision; reference Form 1 Field 5. FAI Report(s) shall be provided to Bell when following occurs: Supplier's first time shipment of the item. Configuration/design change as defined by AS9102 requirements (re-accomplishment of a full report or a partial report for affected characteristics).Two year lapse in manufacturing (full report except dimensional layout inspection only for Castings, Forgings, or Extrusions). Two-year lapse in delivery to Bell without above lapse in manufacturing (copy of most recent FAI Report for configuration of product being provided).			X	P&W will follow internal procedure MC&O 5.3.2.7 First Engine Configuration Check which includes P&W equivalent forms that are compliant with AS9102.
	FAI Reports provided to Bell for assemblies shall include FAI reports for Bell part numbered sub-assemblies and detail items. FAI Report for an assembly may contain sub-assembly and/or detail part items that are defined by the assembly. The resulting FAI Report must include all information required by AS9102 and this manual for each sub-assembly and/or each detail part item. The FAI Report must clearly identify which part number(s) are affected by each of the attributes and characteristics listed on AS9102 Form 2 and Form 3. The documentation provided with the FAI Report must identify which part numbers are associated with which documents.		X		P&W will follow internal procedure MC&O 5.3.2.7 First Engine Configuration Check which includes P&W equivalent forms that are compliant with AS9102. Exeception to (text in red) per Engineering. We do not ship any of the detailed FAI from the supplier parts to Bell today. The final FAI to the outline drawing only is provided. We do a FECC on the assembly P/N. We will not provide FAI for all parts within the assembly

	<p>FAI Reports provided for Bell part numbered items being supplied by a distributor, vendor managed inventory (VMI) or third-party logistics source shall reflect inspection performed by actual Bell approved manufacturer of the item.</p> <p>When a FAI provided to Bell is “not complete” (marked in field 19, Form 1 of AS9102) due to dispositioned nonconforming characteristic(s) or authorized deferment of an attribute being documented on the FAI, a partial FAI reflecting subsequent compliance of these characteristics shall be submitted to Bell.</p> <p>For FAI Reports required to be provided to Bell, an electronic copy of the reports and associated certifications and documents shall be uploaded to Bell through the www.Sell2Bell.com internet portal using software application (Enovia) provided by Bell.</p> <p>Supplier shall identify on shipping documents and on shipping container that FAI item is enclosed and Supplier shall identify the FAI part by tag or other suitable method.</p> <p>Supplier shall maintain reports for FAI’s required to be performed but not required to be provided to Bell. These reports shall be made available to Bell for review upon request.</p>			X	<p>P&W will follow internal procedure MC&O 5.3.2.7 First Engine Configuration Check which includes P&W equivalent forms that are compliant with AS9102.</p>
7.5.2 Pro-Active Quality Process Verification		N/A		X	
7.5.3 Identification and Traceability	<p>Supplier shall identify Bell part numbered item with Bell logo per purchase order or Bell engineering requirements. The Bell logo is trademarked by Textron Innovations and Bell will use all necessary legal remedies to enforce ownership of the logo and its use in the event of infringement.</p> <p>When Bell part numbered item requires traceability by serialization, Supplier shall maintain a system to preclude the duplication of serial numbers assigned to a base part number regardless of part dash number. The serial number assigned to a dash number will not be the same as assigned to any other dash numbers from the same base drawing number. Serial numbers shall be assigned and applied at the earliest possible manufacturing point and be maintained throughout subsequent operations/processes. Bell assigned Supplier “Alpha Code” designations required by BPS 4050 may be obtained through Bell Procurement. Assemblies containing serialized detail items shall have documented traceability of detail item serial numbers contained within each assembly.</p>				<p>Need copy of BPS4050 to determine compliance. Question whether IUID is a requirement on this item. Is logo on PO or drawing?</p>
7.5.4 Bell Furnished Material	NA - no Bell furnished material.	NA			
7.6 Control of Monitoring and Measuring Equipment	<p>Supplier’s calibration system shall meet applicable requirements of ISO 10012-1, ISO 17025, and/or ANSI/NCSL Z540-1 as applicable.</p> <p>Measurement standards and test equipment shall be calibrated, adjusted, and used in a controlled environment based on the standards and equipment manufacturer’s recommendations to ensure valid measurement results.</p>	X NA			
8.0 MEASUREMENT, ANALYSIS AND IMPROVEMENT					
8.1 General	no addnl	X			
8.2 Monitoring and Measurement					

8.2.1 Statistical Process Control	When Bell designates key characteristics, Statistical Process Control (SPC) shall be used to supplement the manufacturing process. AS9103 “Variation Management of Key Characteristics” shall be used for guidance. Supplier shall submit documented program procedures/requirements to Bell and obtain written approval from a representative or manager of BHT Supplier Product Assurance or BHC Procurement Quality prior to use on Bell product.			X	P&W will follow internal procedures for applying SPC and for variation management of key characteristics. Key characteristics will be designated by P&W as the DRP, not Bell.
8.2.2 Sampling Inspection	When sampling inspection is used, the Supplier shall have sampling plans that are appropriate for use in the acceptance of product and available for Bell review upon request. Sampling activity shall preclude the acceptance of lots whose samples have known nonconformities (C=0) unless approved in writing by Bell. SAE ARP 9013/2 “Statistical Product Acceptance Requirements Using Attribute or Variable Lot Acceptance Sampling Plans” or SAE ARP 9013/3 “Statistical Product Acceptance Requirements Using Process Control Methods” may be used for guidance. Supplier shall not use sampling methods when engineering requirements define level of inspection (e.g. hardness testing of each part, 100% inspect, etc.)	X			
8.2.3 Operator Self Verification Control	Supplier shall comply with SAE AS9162 “Aerospace Operator Self-Verification Programs” requirements when delegating monitoring and measurement of product authority to Supplier personnel not within their Quality organization. Supplier shall submit documented program procedures/requirements to Bell and obtain written approval from a representative or manager of BHT Supplier Product Assurance or BHC Procurement Quality prior to use on Bell product. Operator Self-Verification programs shall not authorize delegated personnel to perform First Article Inspection (FAI).			X	P&W will follow their mature Operator Certification program that has been accepted by FAA and DCMA.
8.2.4 Product Measurement	Supplier’s documented measurement requirements for product acceptance shall include methodology used to ensure detection and correction of nonconformances precludes multiple parts being manufactured with the nonconforming condition. NOTE: Bell may take into consideration the number of parts containing a nonconformance when determining if Bell will perform material review or accept the nonconforming condition. Supplier shall have trained personnel routinely perform statistical “Measurement System Analysis” (MSA) on all measurement processes. When measurement systems do not meet requirements, corrective action will be taken. Procedures shall be established to document the identification and verification of tools and fixtures. Measurement standards and test equipment shall be calibrated, adjusted, and used in a controlled environment based on the standards and equipment manufacturer’s recommendations to ensure valid measurement results. The Gauge R&R as a percent of study < 10% is acceptable (the parts used for the Gauge R&R study shall be representative of a production run). If Gauge R&R as a percent of study is greater than 10%, but less than 30%, contact Supplier Product Assurance to determine if the Gauge R&R is acceptable If Gauge R&R as a percent of study > 30%, it is unacceptable and the organization shall implement a corrective action plan to improve measurement capability.			X	PW performs MSA on Critical Characteristics (P&W defined KPCs) only. The acceptance level is 20% precision to tolerance ratio.
8.2.5 Product Certification	With each shipment to Bell, Supplier shall include shipping documentation that reflects product ordered, quantity shipped, purchase order number and serial numbers if applicable. When applicable, documentation shall include notation that shipment contains FAI item. When Bell part numbered item is source controlled, documentation shall include the Supplier part number and the Supplier drawing revision . Shipping documentation shall contain a statement certifying compliance (C of C) to contract/purchase order requirements by an authorized Quality representative. The C of C may be contained within the shipping/packing slip document. Supplier’s quality representative will be identified by signature, electronic signature or notation of name with signature being on file. Shipping documentation shall include the following as a minimum when applicable: Certificate of Compliance (C of C). Acceptance Test Procedure (ATP) report. Copy of “Quality Notification” documenting Bell disposition of submitted “Supplier Material Disposition Action Report” (SMDAR). Approved “Authorization for Receipt of Incomplete Parts (ARIP). Full or Partial First Article Inspection (FAI) Report as required by 7.5.1 of this manual. FAA 8130 forms or equivalent forms from other civil airworthiness organizations along with associated certifications and documents, when applicable. Supplier shall include an Assembly Inspection Log (AIL) with each shipment when required by contract/purchase order. When required by a Bell Program instruction, Supplier shall provide electronic copies of quality/certification documents for Bell part numbered items using the appropriate application within the at www.Sell2Bell.com internet portal (e.g. Enovia for FAI Reports, “Supplier Shipping Documentation” depository in SMART system for shipment certifications, etc. NOTE: When SSDD is used, shipping documentation shall notate SSDD number assigned by SMART when quality documents are uploaded. Documents uploaded into Bell applications are not required to be contained in the document package accompanying product shipments unless needed to facilitate shipment or needed to comply with contract or regulatory requirements. Documents that are uploaded into Bell applications as a part of source inspection, delegated verification or pre-ship authorization activities are not required to be uploaded by the supplier.			X	AIL is not applicable. ATP is included in the logbook. Drawing revision number will not appear on shipping documentation.

8.3 Control of Nonconforming Product	We do have minor mrb - majors must be submitted through portal on Bell form SMDAR. Supplier is delegated Material Review Authority for all product characteristics that are contained within the supplier's design but are not specific requirements of a Bell engineering drawing, specification or purchase agreement and that do not have direct effect on fit, form, function or interface dimensions.	X			
	When Supplier discovers discrepancies existing in products already delivered to Bell, Supplier shall immediately notify Bell by using the Sell2Bell "Supplier Letter of Disclosure" (SLOD) application and providing information required by application. Supplier may provide root cause(s) and corrective action(s) associated with disclosure subsequent to disclosure but in a timely manner appropriate to the nature of the disclosure. Should submittal of corrective action(s) require more than 30 days for disclosure, supplier shall notify Bell to determine reasonable time.	show Jenn		X	P&W will use internal procedures and forms for reporting quality escapes.
8.3 Control of Nonconforming Product (rev. E)	Supplier may submit, via the Sell2Bell SNC Portal, nonconforming product to Bell for material review and disposition. However, the review, resulting disposition, and determination of quantity being dispositioned will be at the discretion of Bell.(for major nonconformances only) Delivery of nonconforming product without an authorized Material Review Board (MRB) disposition is not authorized. Supplier may execute the following activities concerning nonconforming product without Bell MRB disposition: Restore the discrepant item(s) to compliance with drawing/specification requirements for non-controlled items. Remove and replace discrepant items with acceptable items. Return discrepant items to their sub-tier source. Scrap (Exception: Bell-furnished material shall not be scrapped without prior approval of the Bell Buyer).			X	Added text noted in red - " for major non conformances only"
	Supplier submitting nonconforming product to Bell Material Review Board (MRB) shall create and submit a ZR Notification using the SNC application (SNC Quality -> Quality Notifications) accessible via the Sell2Bell portal. The SMDAR form (70591) and supporting documentation shall be submitted as an attachment to a ZR Notification. Shipping documentation accompanying the product shall include a reference to the Quality Notification number (Tech. QN No.) and a copy of the Quality Notification documenting Bell disposition of the submitted SMDAR. Supplier shall not ship the discrepant item(s) pending Bell MRB disposition unless Bell Quality and Procurement management authorizes shipment on an "Open" SMDAR. A copy of the authorization shall accompany the affected shipment.			X	PW will use QMS forms, remove reference to ZR notification
	Supplier has Material Review Authority for all product characteristics that are contained within the supplier's design but are not specific requirements of a Bell engineering drawing, specification or purchase agreement and that do not have direct effect on fit, form, function or interface dimensions. Parts and/or assemblies dispositioned by Bell MRB or by Supplier MRB as not useable (NUB) or scrap shall be mutilated so as to render item unusable for intended use. Supplier shall maintain objective evidence of the mutilation for review by Bell upon request. Parts dispositioned as scrap but used for machine setup or display shall be permanently and prominently identified using vibroetch or steel-stamping.			X	PW will follow QMS for segregating NC material, exception to sentence highlighted in red
	When a Supplier discovers discrepancies existing in products already delivered to Bell, the Supplier shall immediately notify Bell by submitting a ZV Notification using the SNC application (Quality->Quality Notifications) accessible via the Sell2Bell portal, attaching supporting documentation, including the Supplier RCCA Form available through the Sell2Bell portal. Supplier may provide root cause(s) and corrective action(s) associated with disclosure subsequent to the submittal of the ZV Notification if Root Cause Analysis is incomplete at the time of submittal. Updates to RCCA will be provided to Bell Supplier Quality upon request.			X	PW will use QMS, & QMS forms, remove reference to ZR notificatin, exception to immediately- suggest "upon a mutually agreed time"
8.4 Analysis of Data	no additional				

8.5 Corrective Action	<p>When requested by Bell, Supplier shall provide with root cause investigation results, immediate corrective action taken with system or process deficiencies, defective product, containment status and planned and/or incorporated permanent corrective actions. When Bell requests are made through the “Supplier Material Assurance Release Tool” (SMART) system, responses, along with uploading any supporting documentation, shall be submitted using the SMART system.</p> <p>Responses shall be submitted no later than the due date defined by Bell. Supplier may submit a request for due date extension for Bell approval. The reason an extension is necessary shall be noted.</p> <p>Supplier shall notify applicable Bell Purchasing Specialist/Buyer and/or other contacts they provide of any formal request from Government/regulatory agencies for corrective actions involving system, process and/or product deficiencies affecting Bell programs.</p> <p>Supplier shall incorporate Bell directed increased levels of inspection as required to ensure containment of nonconforming or suspected nonconforming product or to mitigate risk of Bell receiving nonconforming product.</p> <p>NOTE: For Root Cause Corrective Action tools, methodology and format, please see www.Sell2Bell.com for Single Flow RCCA training and tools.</p>	X			
Appendix 1	SPECIAL REQUIRMENTS FOR OFFLOAD OF BELL PLANNING OPERATIONS				NA
Appendix 2	SPECIAL REQUIREMENTS FOR ANTI-FRICTION BEARING				NA
Appendix 3, 1.0 P2 (change to Rev E)	<p>SPECIAL REQUIREMENTS FOR CASTINGS, FORGINGS, EXTRUSIONS AND WROUGHT MATERIAL When an FAI is submitted to Bell per the General Requirements of the SQRM-001 and AS9102, this FAI must be submitted directly to Bell SQA and M&P Labs for verification and re-issuance of the Bell Qualification Report.</p>				NA
Appendix 4	SPECIAL REQUIREMENTS FOR ELECTRICAL AND ELECTRONIC ITEMS				NA
Appendix 5, 3.5	<p>SPECIAL REQUIREMENTS FOR PRO-ACTIVE QUALITY PLANNING</p> <p>Quality System Escapes: When a Supplier discovers discrepancies existing in products already delivered to Bell, the Supplier shall immediately notify Bell by submitting a ZV Notification using the SNC application (Quality -> Quality Notifications) accessible via the Sell2Bell portal, attaching supporting documentation, including the Supplier RCCA Form available through the Sell2Bell portal.</p> <p>Supplier may provide root cause(s) and corrective action(s) associated with disclosure subsequent to the submittal of the ZV Notification if Root Cause Analysis is incomplete at the time of submittal.</p> <p>Updates to RCCA will be provided to Bell Supplier Quality upon request.</p> <p>(PAQP) PROGRAM</p>				NA
Appendix 6, 1.0	<p>“CONTROLLED ITEM PROGRAM” SUPPLIER REQUIREMENTS, 1.0 Scope</p> <p>This appendix establishes the Bell Helicopter requirements for supplier control, management, planning and traceability of controlled items designated as a Primary Part, Critical Part, Flight Safety Part, Makes a (Primary, Critical, Flight Safety) and/or Fatigue Controlled Part by Bell Engineering or by Supplier Engineering with concurrence from Bell Engineering.</p>				N/A
Appendix 6, 3.2	<p>" CONTROLLED ITEM PROGRAM" SUPPLIER REQUIREMENTS 3.2 Program Administration</p> <p>The supplier controlled item program shall be compliant to or equivalent with the requirements of the program defined by this appendix. The supplier controlled item program/procedures shall be submitted for review and approval by Bell prior to “Controlled Item” approval status being granted. Any subsequent revisions to the program/procedure shallalso be submitted to Bell for approval prior to implementation.</p>				N/A
Appendix 6, P3	Change of Supplier Name with no change to location with prior written authorization from Supplier Quality.				N/A
Appendix 6, P5	Approval from the applicable PRB of manufacturing planning and inspection check sheet is required prior to deliveryof first production parts.				N/A
Appendix 6, P7	Removed conflict in approval status requirements for non-BPS processes				N/A
Appendix 7	<p>SUPPLIER INSPECTION DELEGATION PROGRAM</p> <p>This program applies to qualified suppliers whose quality approval status and performance with Bell allows product to be directly entered into inventory upon receipt based on supplier’s delegated inspection/acceptance.</p>				are we pursuing this?

					NA - This program applies to suppliers using Bell provided "Digital Design Media" (DDM) in the design, manufacturing, fabrication and inspection of Bell product.
Appendix 8	DIGITAL DESIGN MEDIA" CONTROL AND USE REQUIREMENTS				
Appendix 9	SUPPLIER DESIGNED COMPUTER SOFTWARE - Removed reference to QPS 112				N/A
Appendix 10	PROCESSES REQUIRING NADCAP CERTIFICATION				N/A

Exhibit K- Supplemental Purchase Order Flow Down Clauses AAR Basic Ordering Agreement (BOA), SPE4A1-19-G-0022

Mandatory Flow Downs are defined as the contract clauses required by the Code of Federal Regulations (ex. Federal Acquisition Regulation) and agency implementing regulations (ex. Defense Logistics Acquisition Directive) for United States government contracts. Mandatory Flow Downs are binding on Purchase Orders received by Raytheon Technologies Corporation pursuant to the Distribution Services Agreement with the Distributor, dated March 1, 2018. Mandatory Flow Downs, listed in Exhibit L, are hereby incorporated into the Distribution Services Agreement by reference and shall have the same force and effect as if set forth in full text, and shall be effective as of the effective date of the Purchase Order, unless an alternative effective date has been agreed otherwise.

Any additional clauses which may be agreed to by AAR with its customer for incorporation into an issued Purchase Order shall be subject to Pratt & Whitney (P&W) Corporation review and acceptance. Upon P&W's acceptance, all such agreed to clauses shall be annotated on the face of the Purchase Order

AAR Basic Ordering Agreement (BOA) Purchase Orders

1. PACKAGING

Regardless of any language or requirements contained elsewhere in the PO, or any other terms and conditions, all Packaging and Package Labeling shall be in accordance with best commercial practices

2. CERTIFICATE OF CONFORMANCE

Company agrees to provide Certificate of Conformance for all hardware which shall include Suppliers Name, AAR PO number, PW Part Description, PW Part Number, Quantity, and a statement which includes that the hardware was produced to an approved Quality System and have been manufactured, inspected, tested, and conform with relevant Engineering drawings, specifications, and quality assurance requirements.

3. DPAS

If so identified, this Purchase Order is a "rated order" certified for national defense use, then Company shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

Should Seller experience or anticipate any delay in performing the Order, Seller shall notify Buyer in writing of such delay, its expected duration, and the reasons thereof upon receipt of such information from effected Seller supplier.

4. MARKING REQUIREMENTS

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- a. If so identified on the PO, mark IAW MIL-STD-130N
- b. In the event a PO is placed for a Digital Electronic Sequencing Unit (DESU) (P/N 4504587), PW shall mark the APU at the top-level assembly only IAW PW drawings

5. SAMPLING

If so identified on the PO, the below acceptable sampling plans may apply:

- a. The sampling method shall be in accordance with MIL-STD-1916 or ASQ H1331, Table 1 or a comparable zero-based sampling plan unless otherwise specified by the contract
- b. ANSI/NCSL Z540 - Requirements for the Calibration of Measuring and Test Equipment

6. MERCURY

Mercury or mercury containing compounds shall not be intentionally added to, or come in contact with, any hardware or supplies furnished under this contract.

7. ADDITIONAL TESTING REQUIREMENTS

Should additional testing requirements be required, including but not limited to First Article Testing, they shall so be identified in the Purchase Order and subject to review and agreement by P&W.

8. STOP WORK

In the event Buyer's contract is placed under a stop work order by its customer Buyer may direct, by written notice, Seller to stop work on all or any portion of this Contract. When directed by Buyer, Seller will promptly stop work to the extent specified in the notice for a period of up to ninety (90) calendar days or longer if extended by mutual agreement. Seller shall take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Order during the period of the stop work. Upon the end of the period of work stoppage, Seller shall assert its right to a reasonable adjustment within twenty (25) days. Buyer and Seller agree to work in good faith to negotiate an equitable adjustment in the price and/or delivery schedule.

9. CRITICAL SAFETY ITEM (CSI)

P&W hardware is not CSI. AAR will utilize exemption language as follows, where applicable: "Flight Safety Critical Aircraft Part/Critical Safety Item/Critical Application Item designation for this part is for DOD Management only. There are no additional manufacturing or inspection requirements imposed on the contractor based upon this designation. All of AAR performance in support of this effort shall be conducted in accordance with non-Flight Safety Critical Aircraft Part." P&W will, at its sole discretion, use commercially reasonable efforts to support AAR in reclassifying CSI items with the Government.

10. BUY AMERICAN ACT EXEMPTIONS AND CERTIFICATIONS

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a. In accordance with FAR 25.401(a)(2), P&W is exempt from FAR and DFARS clause(s) 52.225-3 Buy American-Free Trade Agreements-Israeli Trade Act (Dec 2022), 252.225-7036 BUY AMERICAN—FREE TRADE AGREEMENTS—BALANCE OF PAYMENTS PROGRAM—BASIC (JAN 2023), 252.225-7021 Trade Agreements. (DEVIATION 2020-O0019) (JUN 2020), 252.225-7021 Trade Agreements. (DEVIATION 2020-O0019) (JUN 2020) as P&W products are considered indispensable for national security or national security purposes. As such, AAR will utilize exemption. Should United States Government (USG) require additional information to substantiate the exemption, P&W agrees work with AAR to provide documentation to support the exemption.

b. In lieu of flowing DFARS 252.225-7001 BUY AMERICAN AND BALANCE OF PAYMENTS PROGRAM—BASIC (JAN 2023) and DFARS 252.225-7002 QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (MAR 2022) , P&W shall deliver only domestic end products unless, in its quote to AAR, it specified delivery of other end products. At the time of delivery P&W shall provide the hardware from the country of origin as quote.

11. PROHIBITION OF HEXAVALENT CHROMIUM EXEMPTION

PW is exempt from this requirement in accordance with the exception in 223-7304(a)

12. OZONE DEPLETING SUBSTANCES EXEMPTION

In accordance with FAR 52.223-11(b) and (c), the following exemptions apply:

- a. (b)Labeling: Labeling is not required as P&W hardware does not contain nor is it manufactured with ozone-depleting substances in the manner and the extent required by 42 U.S.C 7671j(b), (c), (d) and (e) and 40 CFR part 82, subpart E.
- b. (c) Reporting: The requirement for reporting is “For equipment and appliances that normally each contain 50 or more pounds of hydrofluorocarbons or refrigerant blends containing hydrofluorocarbons”. PW does not manufacture nor is AAR buying such equipment or appliances, so reporting does not apply.

Exhibit K- 1- FAR and DFARS Clause Flow Downs

1. The following FAR clauses apply to this Contract:

52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements. (JAN 2017)

52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities. (NOV 2021)

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52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment. (NOV 2021)

52.212-4 Contract Terms and Conditions—Commercial Products and Commercial Services. (DEC 2022)

52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Products and Commercial Services. (MAR 2023)

Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (e)(1), in a subcontract for commercial products or commercial services. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause

52.225-13 Restrictions on Certain Foreign Purchases. (FEB 2021)

2. The following FAR and DFAR clause(s) apply to this Contract if the value of this Contract exceeds \$10,000:

52.222-19 Child Labor-Cooperation with Authorities and Remedies. (DEC 2022)

(Applies when the Purchase Order exceeds the micro-purchase threshold.)

52.222-21 Prohibition of Segregated Facilities. (APR 2015)

(When a contract is contemplated that will include the clause at 52.222-26, Equal Opportunity, the contracting officer shall insert- (1) The clause at 52.222-21, Prohibition of Segregated Facilities, in the solicitation and contract; and (2) The provision at 52.222-22, Previous Contracts and Compliance Reports, in the solicitation.) (52.222-26 applies to solicitations and contracts where the amount of the contract is expected to be in excess of \$10,000.)

52.222-26 Equal Opportunity. (SEP 2016)

(Applicable when produced domestically and over \$10,000.)

52.222-40 Notification of Employee Rights Under the National Labor Relations Act. (DEC 2010)
(Applicable if the Seller shall perform wholly or partially in the United States)

52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving. (JUN 2020)

3. The following FAR clause(s) apply to this Contract if the value of this Contract exceeds \$15,000:

52.222-36 Equal Opportunity for Workers with Disabilities. (JUN 2020)

(Applies in solicitations and contracts that exceed or are expected to exceed \$15,000, except when- (1) Both the performance of the work and the recruitment of workers will occur outside

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the United States, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island; or (2) The Director of OFCCP or agency head has waived, in accordance with 22.1403(a) or 22.1403(b) all the terms of the clause.)

4. The following FAR clause(s) apply to this Contract if the value of this Contract exceeds \$150,000:

52.203-12 Limitation on Payments to Influence Certain Federal Transactions. (JUN 2020)
(Applies in solicitations and contracts expected to exceed \$150,000.)

52.222-35 Equal Opportunity for Veterans. (JUN 2020)
(Applies if the expected value of the Purchase Order is \$150,000 or more, except when- (i) Work is performed outside the United States by employees recruited outside the United States; or (ii) The Director, Office of Federal Contract Compliance Programs of the U.S. Department of Labor, has waived, in accordance with 22.1305(a), or the head of the agency has waived, in accordance with 22.1305(b), all of the terms of the clause.)

52.222-37 Employment Reports on Veterans (JUN 2020)
(Applies in solicitations and contracts for construction that will include the clause at 52.222-26, Equal Opportunity, when the amount of the contract is expected to be in excess of \$10,000.)

5. The following FAR clauses apply as indicated:

52.209-1 Qualification Requirements. (FEB 1995)
(Applicable when the acquisition is subject to a qualification requirement.)

52.211-15 Defense Priority and Allocation Requirements. (APR 2008)
(Applicable only if so identified as a "rated order").

6. The following DFARS CLAUSES apply as indicated:

252.203-7002 Requirement to Inform Employees of Whistleblower Rights. (DEC 2022)

252.204-7000 Disclosure of Information. (OCT 2016)

252.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information. (JAN 2023)

252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting. (JAN 2023)

252.225-7048 Export-Controlled Items. (JUN 2013)

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252.244-7000 Subcontracts for Commercial Products or Commercial Services. (JAN 2023)
(Applies to commercial products)

252.246-7003 NOTIFICATION OF POTENTIAL SAFETY ISSUES (JAN 2023)
(Applies in subcontracts for—(i) Parts identified as critical safety items;(ii) Systems and subsystems, assemblies, and subassemblies integral to a system; or(iii) Repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system.(2) For those subcontracts, including subcontracts for commercial products or commercial services, described in paragraph (f)(1) of this clause, the Contractor shall require the subcontractor to provide the notification required by paragraph (c) of this clause to—(i) The Contractor or higher-tier subcontractor; and(ii) The ACO and the PCO, if the subcontractor is aware of the ACO and the PCO for the contract.

252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System. (JAN 2023)
(Applies in subcontracts, including subcontracts for commercial products, for electronic parts or assemblies containing electronic parts.)

252.246-7008 SOURCES OF ELECTRONIC PARTS (JAN 2023)
(Applies subcontracts, including subcontracts for commercial products, that are for electronic parts or assemblies containing electronic parts, unless the subcontractor is the original manufacturer.)

252.247-7023 Transportation of Supplies by Sea. (JAN 2023)
(Applies for the types of supplies described in paragraph (b)(2) of this clause, including subcontracts for commercial products, the Contractor shall flow down the requirements of this clause as follows:(2) The Contractor shall insert the substance of paragraphs (a) through (e) of this clause, and this paragraph (i), in subcontracts that are at or below the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation. P&W shall NOT be required to utilize oceanic transportation and all shipments shall be FOB ORIGIN.

Exhibit K 2- DLAD Procurement Notes Clause Flow Downs

1. The following DLAD clauses apply as indicated:

L31 Additive Manufacturing (JUN 2018).

(Applies to all solicitations and contracts for parts and supplies, except for DCSO, DLA Energy, DLA Troop Support – Subsistence, and DLA Troop Support – C&T). P&W shall provide notification to AAR at time of quote if the parts or supplies are made using the Additive Manufacturing process. Unless AM is specifically authorized on the PO, Company may not include parts or supplies made using the additive manufacturing process. Company, if

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proposing to supply an AM produced item, may submit a request directly to the Engineering Support Activity (ESA) for acceptability for future procurements of the same items. If an item produced using AM is presented to AAR for inspection and acceptance in which notification at time of quote was not provided to AAR, AAR may reject the item as nonconforming.

E06 Inspection and Acceptance at Source (JUN 2018)

Applies to solicitations and contracts that require source inspection and acceptance.

H13 Federal Aviation Administration (FAA) Certified Parts – Shipment Documentation requirements (JUN 2020)

(Applies to consumable items that require production by an FAA approved manufacturer. P&W will furnish acceptable documentation with each shipment demonstrating appropriate certification of the item in the form of a Certificate of Conformance with information equivalent to information on FAA Form 8130-3.)