## FOURTH AMENDMENT TO GENERAL TERMS AGREEMENT

THIS FOURTH AMENDMENT TO THE GENERAL TERMS AGREEMENT is made as of the 29th day of May, 2014, between AAR Parts Trading, Inc. ("AAR") and Sumitomo Corporation ("Sumitomo").

WHEREAS, AAR and Sumitomo are parties to a General Terms Agreement dated as of September 6, 2012 (as supplemented and amended through the date hereof, the "Agreement").

WHEREAS, AAR and Sumitomo desire to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, AAR and Sumitomo agree that effective as of the date hereof, the Agreement is amended as follows:

1. Section 3 is amended to replace the second sentence therein to read as follows:

"As used herein, the term "Delivery" means delivery (FCA-Incoterms 2010) Seller's premises."

- 2. Section 5 Term. Section 5 is restated in full as follows:
  - "5. Term. This Agreement is effective as of the date first written above (the "Effective Date") and will continue thereafter through and including the 31<sup>st</sup> day of December 2014, except that any obligations that survive such termination will continue thereafter in full force and effect."
- 3. Effective as of June 1, 2014 for orders placed on or after June 1, 2014, Section 12 is amended to replace the two paragraphs following the first paragraph with the following:

"In the event any failure to perform or delay in performance by Seller with respect to the Seller's sale of Hamilton Sundstrand and Northrop Grumman parts under this Agreement arises out of causes other than those executed under the clause titled "Force Majeure/Delay," and such failure or delay subsequently causes failure or delay of performance by Buyer of Buyer's contract with the Japanese Ministry of Defense and Buyer is forced to and does make payment to the Japanese Ministry of Defense in accordance with the Japanese Ministry of Defense contract terms, Seller shall pay to Buyer an amount not to exceed the U.S. dollar equivalent of the amount of yen paid by Buyer to the Japanese Ministry of Defense at the yen/dollar exchange rate on date of Seller's payment to Buyer within thirty (30) days of Buyer's written request (or alternatively, on a quarterly basis as directed by Buyer) accompanied by receipt of payment subject to the following limitations.

Buyer provides evidence to Seller of the penalty payment made by the Buyer to the Japanese Ministry of Defense.

The payment amount shall be determined on a unit price basis and shall be not more than 1/2000 of Seller's contract item unit price amount for delay per day for each unit delayed with a

maximum ceiling of 1/10th of the Seller's contract unit price affected by the delay or the failure to perform or both.

Seller reserves the right to quote and negotiate special pricing on Products that have no past purchase history.

No delay in performance or failure to perform shall be deemed to have occurred if Seller has satisfied Delivery as defined in Section 3 of the Agreement and the Product has passed quality inspection per Section 6 of the Agreement.

In the event any Product has not been delivered by the Delivery date in the order, Buyer may cancel the order with respect to that Product without any liability on the part of the Buyer, unless it is otherwise agreed by Buyer's Customer in a manner to extend the delivery date of the order and provided Buyer allows partial delivery of line items for the quantity Seller has available to deliver on the delivery date.

The payment amount shall be Buyer's sole and exclusive remedy for Seller's failure to perform or delay in performance.

Upon thirty (30) days written notice to Buyer, Seller may terminate this failure to perform or delay in performance payment provision."

4. Except as specifically amended hereby, the Agreement is and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Fourth Amendment to the Agreement as of the date first written above.

AAR Parts Trading, Inc.

By:

Name: Title:

**Sumitomo Corporation** 

By: Name Eiji Ishida

Title:

General Manager, Aerospace Dept.