

DISTRIBUTORSHIP AGREEMENT

This Agreement is entered into as of May 24, 2019 (“Effective Date”), by and between **WOODWARD, INC.**, (hereinafter, the “Supplier”), a Delaware corporation with offices located at 5001 North Second Street, Loves Park, IL 61111-5808 and **AAR SUPPLY CHAIN, INC.**, a corporation organized under the laws of the State of Illinois, with offices of located at 1100 N. Wood Dale Road, Wood Dale, Illinois 60191 (“Distributor”).

Each of Supplier and Distributor are also referred to herein as a “Party,” and together, the “Parties.”

W I T N E S S E T H:

Supplier is a leading global manufacturer of certain military and defense products; and

Distributor is a global wholesale distributor of military and defense products; and

Supplier requires the services of a distributor knowledgeable in the markets that Supplier sells its products and is competent to assist Supplier in the promotion, sale and support of its products; and

Distributor is willing and able to provide such service on the terms and subject to the conditions herein.

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. Definitions

As used herein, the term

1.1 “Confidential Information” shall mean the provisions of this Agreement and all data and information relating to a Party, a Party’s business or operations and the formulation, manufacture, use, marketing and sale of Products divulged or made available to a Party by the other Party or any other person in the course of a Party’s performance of this Agreement, whether or not any of same is reduced to writing, except such data or information that is otherwise generally known in the trade.

1.2 “DLA” shall mean the Defense Logistics Agency.

1.3 “Exclusive” with respect to any rights granted to Distributor herein, means (a) that Supplier shall not appoint additional sales representatives, agents or distributors for the promotion or sale of Products in or for the Territory and (b) that Supplier shall not make any direct sales of the Products to the US Government in the Territory, including sales to third parties for further purchase by the US Government.

1.4 “Products” shall refer to those spare piece parts offered to Distributor for purchase hereunder as set forth on Exhibit A hereto, which may be amended from time to time as agreed to between the Parties. Products do not include: (i) product or spare piece parts sold to the GE

Company pursuant to the GE Company/US Government Captains of Industry Agreement, or
(ii) repairs and spare end items.

1.5 "Purchase Forecast" shall mean a non-binding written forecast of Products to be purchased by Distributor in a particular calendar year during the term of this Agreement.

1.6 "Territory" shall mean the geographical area and market segment indicated in Exhibit B, as amended by agreement of the Parties from time to time.

1.7 "Trademarks" shall mean all trademark rights relating to the Products, whether derived from common law use, registration, or statutory protection against unfair competition, including those rights relating to the use of Supplier's corporate name, other trade names, model names, and trademarks.

2. Appointment; Authority; Certain Responsibilities of Distributor

2.1 Subject to the terms and conditions of this Agreement and for the term of this Agreement, Supplier hereby appoints the Distributor as its Exclusive distributor of the Products in the Territory. For the avoidance of doubt, in no event will this Agreement be deemed to cover the sale of Product for commercial customers. Products may be removed from Exhibit A by mutual written agreement of the Parties only. Subject to the terms and conditions of this Agreement, the Distributor may sell the Products within the Territory in such manner, on such terms, to such customers and at such prices in each case in the Distributor's sole discretion. In no event will Supplier be held accountable for any extension of warranty terms beyond Supplier's standard warranty.

2.2 As the Exclusive global Distributor of the Products as set forth in this Agreement, the Supplier shall promptly refer to the Distributor all inquiries including those related to long term contracts once they expire ("LTCs") or from third parties that support US Government end-use that the Supplier receives with respect to the sale of Products. Supplier shall not enter into any new LTCs for the Products in the Territory with the US Government, and shall allow all current LTCs with the US Government for the Products in the Territory to expire under their own terms without renewal or extension. For clarity, Supplier is authorized to continue to sell Product to GE under its Captains of Industry Agreement without restriction, and is in no way obligated to refer any inquiries under that agreement to Distributor.

2.3 Supplier may honor any outstanding quotes that have been made to its customers as of the date hereof, but not to exceed 60 days from the original commitment date of said quote, or the original validity period, if greater than 60 days from the original commitment date.

2.4 The Distributor hereby accepts such appointment and shall devote such time and attention to the performance of its duties under this Agreement as may be reasonably necessary.

2.5 The Distributor may utilize, with the approval of Supplier, not to be unreasonably withheld or delayed, the services of a third-party company to sell the Products in support of a US Government Small Business set-aside program.

2.6 Distributor shall be an independent contractor, not an employee of Supplier. Distributor shall not be an agent of, or authorized to transact business, enter into agreements, or otherwise make commitments or assume or create any obligation or responsibility, including but not limited to obligations based on warranties or guarantees or other contractual obligations, on behalf or in the name of Supplier; provided, however, that Distributor shall, pursuant to Section 3.9 below, extend to all of its customers for Products, Supplier's standard warranty on the Products, attached in Exhibit C to this Agreement (the "Supplier Warranty").

2.7 Forecast. Distributor shall provide an annual Purchase Forecast to Supplier, subject to the following:

- a. For calendar year 2019, the Purchase Forecast is \$7,000,000.
- b. For calendar year 2020, the Purchase Forecast is \$11,000,000.
- c. For calendar year 2021, the Purchase Forecast is \$12,000,000.
- d. For calendar years 2022 – 2023, the Purchase Forecast shall be agreed by the parties during an annual Purchase Forecast planning meeting.
- e. Purchase Forecasts are subject to change if Parties mutually agree that there has been a material change in the end market. Market conditions and Supplier compliance to the terms of this Agreement shall be a factor affecting the Purchase Forecasts.

3. Pricing; Compensation; Sales Procedures; Warranty

3.1 Prices charged to the Distributor for Products purchased under this Agreement will be included in an annual pricing catalog, and if not in such catalog, will be as quoted on a case by case basis by Supplier.

3.2 Prices are subject to escalation as follows: Catalog prices may be adjusted on each anniversary of this Agreement; provided, that Supplier shall maintain product pricing in line with historical pricing levels to include annual reasonable market-based increases. In certain instances, in-year catalog adjustments for certain Product numbers may be necessary based on market conditions, and may be implemented by Supplier.

3.3 Supplier's standard prices are based on the following shipping terms: ExWorks Incoterms 2010 Supplier point of shipment (to be in continental United States).

3.4 Prior to execution of this Agreement, Supplier shall (a) provide Distributor with an annual price catalog to include all items that have had sales history in the previous 18 months, and (b) use commercially reasonable efforts to provide Distributor with the ECCN and Schedule B numbers for all items in the foregoing price catalog.

3.5 Supplier shall endeavor to provide a maximum 10 business day TAT for quotes of production Products. Non-production Products, Products not manufactured within the past three years, and large quantity orders may require a longer quote time.

3.6 Supplier shall comply with Distributor's mandatory FAR flow downs, if applicable, including without limitation DCMA origin inspection in Supplier's facility when requested by the Government to include already stocked parts at Distributor's facility. For clarity, supplier has no obligation to accept orders that require compliance with the Truth in Negotiations Act clauses, CAS or to provide other cost information. For ease of reference and order placement, common applicable flow down FAR requirements are set forth on Exhibit D, to be reviewed annually and mutually agreed by the Parties.

3.7 Distributor's payment terms shall be net thirty (30) days from date of Supplier's invoice.

3.8 The terms and conditions of any purchase order, acknowledgment, invoice or other forms or correspondence of Distributor or Supplier relating to this Agreement and the Products shall be inapplicable with respect to the transactions contemplated under this Agreement.

3.9 All sales to Distributor shall be subject to the Supplier Warranty set forth on Exhibit C, except that:

- a. The warranty period for Distributor shall be 12 months from the sale of the Product by Distributor to its customer, not to exceed 36 months from the date of purchase from Supplier; and
- b. Supplier shall exercise its reasonable discretion when determining the applicability of the warranty to any warranty claim made by Distributor.

Distributor is authorized to offer the Supplier Warranty to customers in connection with sales of the Products. Distributor shall not extend any warranty or make any representations regarding the Products different from or in addition to those contained in the Supplier Warranty. In such event, Supplier shall have no liability to Distributor or the end user for any warranty terms in excess of those set forth herein.

3.10 Supplier additionally warrants to Distributor that, at the time of delivery to Distributor, Supplier shall have title to the Products, free and clear of all liens and encumbrances.

3.11 During the term of this Agreement, Distributor shall maintain a record of all sales of the Products which shall include customer names, product and serial numbers, dates of sales, and shipping locations. This record shall be maintained by the Distributor for the period required by applicable law for warranty and export compliance purposes and shall be provided to Supplier as requested by Supplier. Supplier shall use all information provided by the Distributor under this Section 3.9, exclusively for Supplier's own purposes and shall maintain it in strict confidence and shall not use or disclose the same except as required to perform its obligations under this Agreement and to otherwise demonstrate its compliance with applicable laws.

4. Distributor Responsibilities.

4.1 The Distributor will actively market, advertise, promote, and sell Products in the Territory, and is not authorized to perform such duties or actively conduct any Supplier related activities outside the Territory.

4.2 The Distributor shall keep proper books and records in accordance with generally acceptable accounting principles consistently applied regarding its representation of Products.

4.3 The Distributor shall maintain an adequate inventory to meet customer needs. The Distributor will provide a report of all Supplier inventory at the Distributor upon reasonable request of Supplier.

4.4 The Distributor will order Product at Supplier's stated lead times. Ordering within the lead times will be subject to expedite and other associated fees.

5. Supplier Responsibilities.

5.1 Supplier shall furnish to Distributor, free-of-charge, promotional and descriptive literature concerning the Products, including catalogs and suggested retail price lists. Supplier shall also provide in-person training to Distributor's sales team at reasonable times and locations, at Supplier's expense.

5.2 Supplier shall use commercially reasonable efforts to work with AAR to capture awards through competitive price strategies.

5.3 Supplier shall comply with mandatory Federal Acquisition Regulation ("FAR") supplement clauses with respect to commercial items under FAR Part 12 to which Distributor is bound in connection with Distributor's sale of Products to its customers.

6. Confidential Information and Trademarks

6.1 Each Party shall hold the Confidential Information in strict confidence and shall not, directly or indirectly, without the prior written consent of the other Party, use or disclose to any person, firm, or corporation, any Confidential Information except as required to perform its obligations under this Agreement. Upon a Party's request, the other Party shall execute an agreement in a form and substance satisfactory to the other Party restricting use and disclosure of the Confidential Information.

6.2 Distributor shall not remove or efface any Trademarks on any Products sold by the Distributor. All resulting use of any of the Trademarks shall inure solely to the benefit of Supplier. The Distributor shall not use or register any of the Trademarks, or any mark or name confusingly similar thereto, in any manner, except that Distributor may use the Trademarks (a) on letterhead, business cards and signs in order to identify itself as an authorized distributor of Supplier, or (b) in sales and promotional materials, provided that such materials have been previously submitted to and approved by Supplier.

7. Intellectual Property Indemnity

7.1 Supplier shall indemnify, defend and hold Distributor, its officers, directors, employees, successors and assigns harmless against any suit alleged by a third party that any Product provided by Supplier violates a valid patent, copyright or other intellectual property interest of such third party. Distributor will notify Supplier promptly after becoming aware of the third-party suit, and agrees to give sole and complete authority, information and assistance for the defense and disposition of the suit. Supplier will not be responsible for any compromise or settlement made without Supplier's prior written consent.

7.2 Supplier will have no obligation or liability with respect to: (a) Products provided pursuant to Distributor's or its customer's designs, drawings or manufacturing specifications; (b) Products used other than for their ordinary purpose; (c) claims of infringement resulting from combining any Product furnished under an Order with any article not furnished by Supplier (to the extent such Product is not intended to be used with the non-Supplier furnished Product); or (d) any modification of the Product other than a modification approved by Supplier or required by law or regulation.

7.3 If Distributor is enjoined by a court of competent jurisdiction from using any Product manufactured by Supplier for the intended purpose on the grounds that such use infringes on any proprietary right or if it is established to Supplier's satisfaction, upon due investigation, that use of any Product infringes on any proprietary right within the United States or any foreign country, Supplier, at its option, shall either (i) procure for Supplier a license to continue using such Product, (ii) modify such Product so as to make it non-infringing without impairing its performance, function or quality, or (iii) replace such Product with new material that are substantially equal but non-infringing, or if options (i) through (iii) are not commercially reasonable, then Supplier shall repurchase the Products from Distributor at the price paid by Distributor, less a reasonable depreciation for use, damage, and obsolescence. Further, Woodward may cease shipping infringing Products without being in breach of this Agreement.

8. Term and Termination

8.1 Unless terminated as provided in Section 8.2, 8.3, or 8.4 below or by mutual written consent, this Agreement shall continue in full force for an initial term expiring five (5) years from the date hereof ("Term"). Upon such date, this Agreement shall automatically renew for successive six (6)-month periods, unless one Party provides the other with written notice of termination at least sixty (60) days prior to the end of the then existing term.

8.2 To the extent that Supplier accepts an order from the Distributor following the expiration of this Agreement, the same shall be governed by terms identical to the terms of this Agreement, but such acceptance shall not be considered an extension or renewal of the term of this Agreement.

8.3 Following the first anniversary of this Agreement, either Party may terminate this Agreement at any time without cause by giving 120 days' advance written notice to the other Party.

8.4 Without limiting any other rights or remedies to which it may be entitled, either Party may give notice in writing to the other terminating this agreement immediately if:

- a. the other Party commits a material breach of any term of this Agreement and (if that breach is remediable) fails to remedy that breach within 60 days of that Party being required in writing to do so;
- b. an order is made or a resolution is passed for the winding up of the other Party, or an order is made for the appointment of an administrator to manage the affairs, business and property of the other Party, or such an administrator is appointed, or a receiver is appointed of any of the other Party's assets or undertaking, or circumstances arise which entitle a court or a creditor to appoint a receiver or manager or which entitle a court to make a winding-up order, or the other Party takes or suffers any similar or analogous action in consequence of debt, or an arrangement or composition is made by the other Party with its creditors or an application to a court for protection from its creditors is made by the other Party; or
- c. the other Party suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business.

9. Rights of Parties upon Termination or Expiration

The following provisions shall apply upon the termination or expiration of this Agreement for any reason:

9.1 Subject to Section 9.2 below, Distributor shall immediately cease to be a Distributor of Supplier.

9.2

a. If this Agreement terminates for Distributor's default hereunder or by Distributor for its convenience in accordance with Section 8.3, then at Supplier's election, Distributor will resell and deliver to Supplier, free and clear of all liens and encumbrances, some or all Product or material bearing Supplier's name to the extent that the same is new and in the original packaging. Supplier shall repurchase such Products at the price Distributor would pay for such Product at the original purchase price. To the extent Distributor does not sell such Products to Supplier at Supplier's election, Distributor may continue to sell the Products in the Territory, and may in accordance with the terms and conditions of this Agreement, continue to market and sell its existing inventories of Products until Distributor has completely depleted its inventory of the Products. The warranty provisions of this Agreement shall continue to apply to the Products, notwithstanding the expiration or termination of this Agreement.

b. If this Agreement terminates for Supplier's default hereunder, then at Distributor's election, Distributor will resell and deliver to Supplier, free and clear of all liens and encumbrances, some or all Product or material bearing Supplier's name to the extent that the same is new and in the original packaging. Supplier shall repurchase such Products at the original purchase price. To the extent Distributor does not sell such Products to Supplier at

Distributor's election, Distributor shall continue to be the exclusive distributor in the Territory for the Product numbers remaining in Distributor's inventory, and may in accordance with the terms and conditions of this Agreement, continue to market and sell its existing inventories of Products until Distributor has completely depleted its inventory of the Products. Supplier shall continue to refer all purchasers of the Products to Distributor. The warranty provisions of this Agreement shall continue to apply to the Products, notwithstanding the expiration or termination of this Agreement.

c. If this Agreement terminates by Supplier for its convenience in accordance with Section 8.3, then Distributor shall continue to be the exclusive distributor in the Territory for the remaining Products numbers in Distributor's inventory until the date that is one year from the end of the 120-day notice period referenced in Section 8.3 above (the "Sale Period") During such time, Distributor shall continue to market and sell such inventory of Products and Supplier shall continue to refer all purchasers of the Products to Distributor. The warranty provisions of this Agreement shall continue to apply to the Products, notwithstanding the expiration or termination of this Agreement.

At the end of the Sale Period, Supplier will repurchase all Products remaining in Distributor's inventory at the price Distributor would pay for such Product at the time of the repurchase. The Parties will work together to structure the timing of the repurchase.

d. If this Agreement expires under its own terms (in accordance with Section 8.1), then Distributor shall continue to be the exclusive distributor in the Territory for the Product numbers remaining in Distributor's inventory, and may in accordance with the terms and conditions of this Agreement, continue to market and sell such inventory of Products until Distributor has completely depleted its inventory of the Products. Supplier shall continue to refer all purchasers of the remaining Product numbers to Distributor. The warranty provisions of this Agreement shall continue to apply to the Products, notwithstanding the expiration or termination of this Agreement.

e. With respect to subsections a. through d. above, if Distributor's end-user requires Product quantities in excess of Distributor's balance on hand, then Supplier shall support Distributor in fulfilling the entirety of the end-user's requirement.

9.3 Any transactions pending between the Parties at the expiration or termination of this Agreement shall be duly and properly performed by the Parties even if the execution of such a transaction takes place after the date of expiration or termination of this Agreement. Notwithstanding the foregoing, to the extent that Distributor has sufficient inventory of the Products to fulfill pending orders, all unshipped orders are subject to cancellation by Supplier without liability to either Party. Supplier will consider the relevant circumstances of the termination prior to cancelling any unshipped orders

9.4 All obligations of the Distributor to Supplier and Supplier to Distributor shall remain due and payable pursuant to the terms and conditions contained in this Agreement.

9.5 Distributor shall provide to Supplier all information reasonably required to enable Supplier to continue the service and support of all customers to whom Distributor has sold Products.

9.6 The following provisions of this Agreement shall survive any expiration or termination hereof: any Sections related to Supplier's warranty of the Products; Section 5.3 (with respect to FAR clauses); Section 6 (Confidential Information and Trademarks); Section 7 (Intellectual Property Indemnity); Section 10 (Limitation of Liability) and Section 12 (with respect to governing law and venue).

10. LIMITATION OF LIABILITY

A. EXCEPT WITH REGARD TO SUPPLIER'S INDEMNIFICATION OBLIGATIONS DESCRIBED IN SECTION 7, NEITHER PARTY HERETO SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND WHATSOEVER, INCLUDING, BUT NOT LIMITED TO LOST PROFITS, LOST SALES, LOSS OF REVENUE OR OPPORTUNITY, LOSS OF USE OF EQUIPMENT, COST OF CAPITAL, COST OF DOWN TIME, COST OF SUBSTITUTE EQUIPMENT, OR ANY OTHER SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING OUT OF OR IN CONNECTION WITH PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF WARRANTY, CONTRACT, TORT OR OTHERWISE, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NO AGREEMENT VARYING OR EXTENDING THE FOREGOING LIMITATION OF LIABILITY SHALL BE BINDING UPON EITHER PARTY UNLESS IN WRITING, SIGNED BY A DULY AUTHORIZED OFFICER OF THAT PARTY.

B. IN NO EVENT SHALL SUPPLIER'S OR DISTRIBUTOR'S LIABILITY TO THE OTHER ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, WARRANTY, TORT OR OTHERWISE, EXCEED IN THE AGGREGATE THE GREATER OF (X) TEN MILLION DOLLARS (\$10,000,000) AND (Y) THE TOTAL CUMULATIVE AMOUNTS INVOICED FOR SUPPLIER'S SALES TO DISTRIBUTOR UNDER THIS AGREEMENT DURING THE TWELVE (12)-MONTH PERIOD IMMEDIATELY PRIOR TO THE EVENT GIVING RISE TO THE LIABILITY (THE GREATER OF (X) AND (Y) BEING THE "LIABILITY CAP"). THE LIABILITY CAP SHALL NOT APPLY TO THE EXTENT PROHIBITED BY APPLICABLE LAW OR TO ANY LIABILITY: (A) RESULTING FROM A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; (B) FOR WHICH SUPPLIER IS LIABLE TO THE DISTRIBUTOR WITH RESPECT TO INDEMNITY OBLIGATIONS DESCRIBED IN SECTION 7; (C) THAT IS BASED ON A CLAIM FOR CONTRIBUTION FROM ONE PARTY TO THE OTHER FOR ANY LIABILITY TO THE EXTENT THAT SUCH LIABILITY HAS BEEN LEGALLY APPORTIONED TO SUCH PARTY BY A COURT OF COMPETENT JURISDICTION; (D) TO THE EXTENT THAT SUCH LIABILITY IS COVERED BY THE LIABLE PARTY'S INSURER(S) AND OBLIGATED TO BE PAID BY A PARTY (BUT FOR THE LIABILITY CAP) TO COVER THE UNDERLYING LOSS

C. NOTWITHSTANDING THE FOREGOING SUBSECTIONS A AND B ABOVE, SUPPLIER SHALL NOT BE PRECLUDED FROM RECOVERING THE PRICE, INCLUDING ANY PROFIT MARGIN INCLUDED IN THE PRICE OF THE PRODUCTS DELIVERED TO DISTRIBUTOR UNDER THIS AGREEMENT.

11. Notices Notification required or permitted hereby shall be deemed given upon transmission by telecopy or enclosure thereof in an adequately post-paid envelope, sent registered air mail, and (in either case) to the Party indicated below to whom notices are to be directed, at the facsimile number or address listed in conjunction with that Party's name first set forth above or at such other facsimile number or address which that Party subsequently notifies the Party giving notice that notices are to be sent.

(a) If to Supplier, notices shall be directed to:

Woodward, Inc.
5001 North Second Street
Loves Park, IL 61111-5808
Attn: Tom Stinson

(b) If to Distributor, notices shall be directed to:

AAR Supply Chain, Inc.
1100 N. Wood Dale Road
Wood Dale, IL 60191
Attn: Tim Driscoll

12. Governing Law; Venue

12.1 This Agreement shall be interpreted, construed, enforced and performed in accordance with the internal laws of the State of New York, U.S.A., without reference to principles of conflicts of law. THE RIGHTS AND OBLIGATIONS OF THE PARTIES IN CONNECTION WITH THIS AGREEMENT AND ANY PURCHASE OF THE PRODUCTS SHALL NOT BE GOVERNED BY THE PROVISIONS OF THE 1980 U.N. CONVENTION FOR THE INTERNATIONAL SALE OF GOODS.

12.2 Any action or claim brought by either Party under this Agreement shall be brought in the appropriate state or federal court in New York County, New York. The Parties hereby irrevocably submit themselves to the personal jurisdiction of these courts and shall accept service of process by these courts upon them. The Parties further irrevocably waive in advance any and all objections to the courts of New York County, New York, as forums based upon any question of venue, the doctrine of forum non conveniens, the present or future pendency of any other case or proceeding elsewhere, the compulsory counterclaim rule, or any other doctrine, statute or rule of practice.

13. Miscellaneous

13.1 Except for the sale of all or substantially all of the business to which this Agreement pertains, this Agreement and any of the rights or obligations hereunder may not be assigned by

a Party, whether voluntarily or by operation of law, without the prior written consent of the other Party, not to be unreasonably withheld or delayed.

13.2 This Agreement and all exhibits and attachments hereto, constitutes the entire agreement, superseding all prior oral or written agreements, understandings, conditions and warranties, between the Parties hereto on the subject matter hereof, and may be modified or amended only by a writing signed by both of the Parties hereto.

13.3 In the event any one or more of the provisions contained in this Agreement are deemed illegal or unenforceable, such provision (a) shall be construed in a manner to enable it to be enforced to the extent permitted by applicable law, and (b) shall not affect the validity and enforceability of any legal and enforceable provision of this Agreement.

13.4 The failure of a Party at any time to require performance by the other Party of any of the provisions of this Agreement shall not operate as a waiver of the right of such Party to request strict performance of the same or like provisions, or any other provisions hereof, at a later time.

13.5 This Agreement and any Products sold or shipped pursuant to the same are subject to United States laws and regulations governing import and export of goods including such laws which restrict exports to denied countries, persons or entities. The Parties shall comply with all such laws. Supplier shall reasonably assist Distributor with respect to any requests with respect to the classification of any Product for export purposes.

13.6 Each Party and its directors, officers, employees or agents shall comply with all laws, regulations and ethical standards relating to its business activities, including the laws, regulations and ethical standards where Distributor and Supplier are located. Each Party and its directors, officers, employees, and agents shall not at any time, either directly or through an intermediary, (i) offer, pay, promise to pay or authorize the payment of money or offer, give promise to give or authorize the giving of anything of value to an official, employee, officer or such Party of any government or department, agency or instrumentality of any government, or a political Party, Party official or candidate or political office, for purposes of inducing such person to use his or her influence to assist Distributor, Supplier, or any other person in anyway, whether within or outside of the Territory where the Distributor and Supplier are located, for the purpose of obtaining or retaining sales, or any other business opportunities or commercial advantage; or (ii) otherwise violate the Foreign Corrupt Practices Act (FCPA) of 1977 as amended, the United Kingdom Bribery Act (UKBA) of 2010, as amended, their respective implementing regulations, or any other laws or regulations where Distributor or Supplier are located.

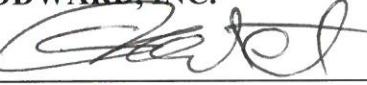
13.7 Neither Party will issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other party, which approval will not unreasonably be withheld, except that either Party, upon prior notice to the other, may make any public disclosure it believes in good faith is required by applicable law.

13.8 This Agreement may be executed in any number of counterparts, each of which shall constitute an original and taken together shall constitute one and the same instrument. This Agreement shall not be binding until an original shall have been executed by all of the Parties.

IN WITNESS WHEREOF, the Parties have caused their authorized officers to execute this Agreement on the date first above written.

“Supplier”

WOODWARD, INC.

By: 
Name: Sagar Patel
Title: President
Fuel Systems and Controls

“Distributor”

AAR SUPPLY CHAIN, INC.

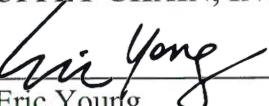
By: 
Name: Eric Young
Title: Vice President

EXHIBIT A

Products

1. Spare piece parts manufactured by Supplier under the following cage code(s) during the term of this Agreement: 66503, excluding solicitations received pursuant to the GE Company/US Government Captains of Industry agreement, which shall continue to be supported by Supplier through selling Products directly to GE Company.

For clarity (a) spare piece parts shall mean the bill of material that comprise an LRU; and (b) repairs and spare end items are excluded from this Agreement.

EXHIBIT B

Territory

Worldwide for US Government end-use.

EXHIBIT C

Woodward North American Standard Warranty for the Products

Spare Parts STANDARD WARRANTY



Throughout our history, it has been Woodward's Company policy to make high quality products and support them with prompt, competent, and courteous service. We take pride in our craftsmanship, product dependability, and ability to correct any difficulty with our precision products. We have a deep concern for the needs of each customer. Consistent with this concern, Woodward extends this warranty.

PRODUCT WARRANTY

New Product Warranty: Woodward Products covered under this Standard New Product Warranty are warranted to be free from defective materials and workmanship when installed and used in the manner for which they are intended for a period of twelve (12) months from date of shipment from AAR to its customer, not to exceed thirty-six (36) months from the date of purchase by AAR from Supplier. This Standard Warranty applies to new Product shipped to all customers.

LIMITATIONS

Woodward's obligation and customer's sole remedy under this warranty is repair or replacement, at Woodward's election, of any nonconforming Product.

THESE WARRANTIES AND REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, AND FITNESS FOR PARTICULAR PURPOSE. IN NO EVENT WILL WOODWARD BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR INDIRECT DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

CONDITIONS

Such repair or replacement will be effected at a location of Woodward's choice (including Woodward plants and service facilities, Woodward subsidiary plants, authorized service facilities or by on-site service). In replacing any part pursuant to this warrant, Woodward may replace such part with a modified or improved product or component.

Warranty hours must be documented and corroborated by the customer.

Woodward will pay standard shipping charges for the return of Products with a confirmed warranty claim.

EXCLUSIONS

This warranty does NOT APPLY TO:

- Products or parts which, in Woodward's opinion, have become worn from normal use or have been damaged by misuse, negligence or accident.
- Products or parts on which disassembly and/or repairs have been attempted without prior authorization from Woodward.
- Any Woodward product if any component part has been repaired or replaced by any part not manufactured or furnished by Woodward.
- Products or parts which have been damaged from fire, impact, corrosion and/or fuel contamination.

EXHIBIT D

Common FAR Flow Downs

Clause	Title
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT
52.227-1	AUTHORIZATION AND CONSENT
52.225-6	TRADE AGREEMENTS CERTIFICATE
52.225-5	TRADE AGREEMENTS
52.224-3	Privacy Training
52.223-3	Hazardous Material Identification and Material Safety Data Sheets MATERIAL SAFETY DATA
52.223-18	Encouraging Contractor Policies to ban Text Messaging While Driving
	Ozone-Depleting Substances and High Global Warming Potential
52.223-11	Hydrofluorocarbons
52.222-54	Employment Eligibility Verification
52.222-50	Combating Trafficking in Persons
52.222-40	Notification of Employee Rights Under the National Labor Relations Act
52.222-37	Employment Reports on Veterans
52.222-36 Alternate I	Alternate I - Equal Opportunity for Workers with Disabilities
52.222-36	Equal Opportunity for Workers with Disabilities
52.222-35	Equal Opportunity for Veterans
52.222-26	Equal Opportunity
52.222-25	Affirmative Action Compliance
52.222-22	Previous Contracts and Compliance Reports (FEB 1999)
52.222-21	Prohibition of Segregated Facilities
52.219-8	Utilization of Small Business Concerns
52.219-28	POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION (JUL 2013)
52.219-16	Liquidated Damages - Subcontracting Plan
52.215-14	Integrity of Unit Prices (OCT 2010)
	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT
52.209-6	
52.204-8	Annual Representations and Certifications
52.204-7008	Compliance with Safeguarding Covered Defense Information Controls
	PROHIBITION ON CONTRACTING FOR HARDWARE, SOFTWARE, AND SERVICES DEVELOPED OR PROVIDED BY KASPERSKY LAB AND OTHER COVERED ENTITIES
52.204-23	
52.204-21	BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS
52.204-10	REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS
52.203-7	Anti-Kickback procedures
52.203-6	Restrictions on Subcontractor Sales to the Government

	PROHIBITION ON REQUIRING CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS OR STATEMENTS
52.203-19	Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements or Statements-Representation
52.203-18	Limitation on Payments to Influence Certain Federal Transactions
52.203-12	CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS
52.203-11	Transportation of Supplies by Sea
252.247-7023	Notification of Potential Safety Issues
252.246-7003	Utilization of Indian Organizations, Indian Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
252.226-7001	Restriction on Contingent Fees for Foreign Military Sales
252.225-7027	Preference for Certain Domestic Commodities
252.225-7012	Prohibition on Acquisition of U.S. Munitions List Items from Communist Chinese Military Companies
252.225-7007	QUALIFIED COUNTRY SOURCES AS SUBCONTRACTORS
252.225-7002	Buy American and Balance of Payments Program
252.225-7001	BUY AMERICAN - BALANCE OF PAYMENTS CERTIFICATE-BASIC
252.225-7000	Prohibition of Hexavalent Chromium
252.223-7008	HAZAD WARNING LABELS
252.223-7001	Representation Regarding Combating Trafficking in Persons
252.222-7007	Restrictions on the Use of Mandatory Arbitration Agreements
252.222-7006	Subcontracting with Firms that are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism
252.209-7004	Disclosure of Information to Litigation Support Contractors
252.204-7015	Safeguarding Covered Defense Information and Cyber Incident Reporting
252.204-7012	Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information
252.204-7009	Compliance with Safeguarding covered Defense Information controls.
252.204-7008	Disclosure of Information
252.204-7000	PROHIBITION ON CONTRACTING WITH ENTITIES THAT REQUIRE CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS
252.203-7997	Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements-Representation
252.203-7996	Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements
252.203-7995	PROHIBITION ON CONTRACTING WITH ENTITIES THAT REQUIRE CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS - REPRESENTATION (NOV 2016) DFARS
252.203-7994	Representation Relating to Compensation of Former DOD Officials
252.203-7005	Requirement to Inform Employees of Whistleblower Rights.
252.203-7002	Prohibition on Persons Convicted of Fraud or Other Defense-Contract Related Felonies (DEC 2008)
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252.203-7000	

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ISO 9001:2015 / AS9120 B Quality Management Systems
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C03 Contractor Retention of Supply Chain Traceability Documentation

