



STANDARD TERMS AND CONDITIONS

1. Acceptance of Terms and Conditions

The Parts referenced on the reverse side hereof are being shipped subject to Buyer's agreement that only these Standard Terms and Conditions shall govern the transaction. Your acceptance of these Parts or other performance hereunder will constitute such agreement.

2. Limited Warranty for Sale of Parts

A. **Coverage and Warranty Period**, AAR warrants that the parts sold hereunder will be free of any defects in material or workmanship in accordance with following warranty schedule based on the condition code of the parts stated on the face thereof; and that it will have good title to the parts it sells to Buyer hereunder at the time of delivery.

Part condition codes and warranty periods are defined as follows:

<u>CONDITION CODE</u>	<u>DEFINITION</u>	<u>WARRANTY</u>
F Factory New	Unit received from OEM or authorized distributor in original package.	None; No warranty expressed or given except that original equipment manufacturer's warranty will be assigned per paragraph F hereof.
N New (Unused)	Unit received from other than OEM or authorized distributor.	Thirty (30) days from date of shipment.
O Overhauled & Certified	Unit overhauled by an authorized agency or airline to a TSO of 00:00 or "overhauled".	Twelve (12) months from the date of shipment or one thousand (1000) flight hours, whichever occurs first, except gyros, magnetic compasses, turn and bank indicators, INS Systems and Auxiliary Power Units (APU) which receive six (6) months from date of shipment or five hundred flight hours, whichever occurs first.
S Serviceable	Unit certified airworthy by an authorized agency or airline.	Six (6) months from the date of shipment, or five hundred (500) flight hours, whichever occurs first.

R AS IS & Repairable	Unit used, not certified airworthy, but can be economically repaired and/or overhauled.	No warranty other than unit is repairable.
A AS IS	Condition and history unknown: has no airworthiness certification.	None: No warranty expressed or given except as to title.

B. **Correction of Defects.** If during the applicable warranty period, a defect in material or workmanship causes damage to a warranted part or renders it unserviceable, AAR will either replace or repair at time continued, at AAR's expense and option, any such damaged or unserviceable part to the condition it was in at the time the damage occurred. The cost of any replacement or repaired part which has a life limit established by the manufacturer or government authority will be shared pro rata by AAR and Buyer based upon the unused life of the damaged part at the time it was damaged.

C. **Determination of Coverage.** AAR will determine whether any defect in material or workmanship occurred within the coverage of this warranty based on accepted industry maintenance procedures and standards and original equipment manufacturer's warranty policies, as applicable.

D. **Condition.** AAR's warranty obligations hereunder are subject to the following conditions:

- i. The warranted part has been used under normal operating conditions as established by the original equipment manufacturer and has not been subject to misuse, mishandling, negligence, accident or ingestion of foreign material; and
- ii. The warranted part has not been altered, repaired or serviced since purchase by anyone other than AAR or its authorized agent; and
- iii. The warranted part has been maintained in accordance with an FA-approved Airworthiness Maintenance Program and Maintenance Manual (or equivalent government approved documentation for those buyers operating under foreign registry) and with any written instructions provided by AAR and/or the original equipment manufacturer; and
- iv. BUYER, within the applicable warranty period or within 10 days of discovery of a malfunction, whichever is earlier notifies AAR in writing of its claim and the basis for such claim.
- v. The defective part is shipped within 10 days of the applicable warranty period to AAR's Wood Dale, Illinois facility, or to such other location as AAR may designate in writing to BUYER within 5 days of receiving notice of the warranty claim; and
- vi. All transportation costs and risk of loss of warranted part shipped for correction of defects to and from the facility designated by AAR are borne by BUYER; and
- vii. All documentation originally furnished BUYER with part accompanies the return of the part for warranty consideration.

E. **Disclaimer.** THE WARRANTIES SET FORTH IN THIS LIMITED WARRANTY PROVISION AND THE OBLIGATIONS AND LIABILITIES OF AAR THEREUNDER, ARE EXPRESSLY IN LIEU OF, AND BUYER HEREBY WAIVES AND RELEASES AAR FROM, ANY AND ALL OTHER WARRANTIES, AGREEMENTS GUARANTEES, CONDITIONS, DUTIES, OBLIGATIONS, REMEDIES OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR INTTENDED USE, WITH RESPECT TO AAR'S PERFORMANCE HEREUNDER AND BUYER AGREES

THAT AAR WILL NOT BE LIABLE FOR ANY DAMAGE OR LOSS (INCLUDING, BUT NOT LIMITED TO, CONSEQUENTIAL DAMAGES) SUFFERED BY BUYER, DIRECTLY OR INDIRECTLY, WHETHER IN TORT OR CONTRACT, BECAUSE OF ANY DEFECT IN MATERIAL OR WORKMANSHIP WARRANTED HEREUNDER, NO AGREEMENT OR UNDERSTANDING VARYING, ALTERING OR EXTENDING AAR'S LIABILITY HEREUNDER WILL BE BINDING ON AAR UNLESS IN WRITING SIGNED BY A DULY AUTHORIZED OFFICER OR REPRESENTATIVE OFF AAR.

- F. **Assignment of Warranties.** AAR hereby assigns to BUYER, effective upon payment in full for the part, any and all existing manufacturer's and overhaul agency warranties, to the extent assignable, for the part which run to AAR. Upon request, AAR will cooperate with BUYER in processing claims arising under such assigned warranties in AAR's name or that of BUYER as appropriate, provided always that BUYER will indemnify AAR for any cost and expenses incurred by AAR in connection with such assistance. With respect to such assignments, it is understood that except as provided in the Paragraph F, AAR shall have no further liability to BUYER.
- G. **Warranty Repairs.** Warranty repairs hereunder may be performed by BUYER upon BUYER's request and consent thereto by AAR in writing given prior to commencement of any such repairs. AAR will reimburse BUYER for the actual reasonable costs for any such repairs consented to by AAR in writing.
- H. **Non-Covered Items.** If AAR determines that the Part is not covered by the warranty, BUYER will pay AAR for the work performed and materials furnished in connection with the teardown, investigation, reassembly, and any authorized repair or maintenance services performed, in accordance with AAR's then current charges.
- I. **Limitation of Liability.** IN NO EVENT WILL AAR'S LIABILITY UNDER THIS WARRANTY EXCEED THE PURCHASE PRICE ACTUALLY PAID FOR THE PART.

3. Indemnification

BUYER hereby releases and agrees to defend, indemnify and hold AAR, its directors, officers, employees and agents harmless from and against any and all liabilities, claims, demands, suits, damages and losses (including, without limitation, all attorney's fees, costs and expenses in connection therewith or incident thereto) for deaths of or injuries to any persons whomsoever (including, without limitation, aircraft of BUYER) in any manner arising out of or in connection with the Parts subsequent to their delivery by AAR hereunder regardless of the negligence, active or passive of AAR, its directors, officers, employees or agents, BUYER will, at the request of AAR negotiate any claim or defend any action or suit brought against AAR or in which AAR is joined as a party defendant based upon any matters for which BUYER has released and indemnified AAR hereunder.

4. Consequential Damages

IN NO EVENT WILL AAR BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST REVENUES,

LOST PROFIT, OR LOSS OF PROSPECTIVE ECONOMIC ADVANTAGE, RESULTING, DIRECTLY OR INDIRECTLY, FROM THIS TRANSACTION OR THE USE OF THE PARTS OR ANY INABILITY TO USE SUCH EITHER SEPARATELY OR IN CONJUNCTION WITH OTHER PARTS OR EQUIPMENT.

5. Delays

AAR will not be responsible for delay in delivery caused by force majeure which shall include acts of God, war, natural disaster, fire, flood, explosion or earthquakes, failure of Buyer or any supplier to deliver parts or supplies or any other cause beyond the control of AAR.

6. Taxes

Buyer will pay and agrees to indemnify, defend and hold AAR harmless from any taxes, including but not limited to sales taxes, (except for a tax upon or measured by AAR's net income) imposed by any taxing authority as a result of performance hereunder.

7. Governing Law

This agreement shall be construed and governed according to the law of the State of Illinois. If the Buyer is from a country, which has ratified the 1980 U.N. Convention on Contracts for the International Sale of Goods, the rights and obligations of the parties shall not be governed by such Convention, but shall be governed by the law of the State of Illinois.

8. Modification

No modification of these terms and conditions shall be binding upon the parties hereto unless in writing signed by both parties hereto.

9. F.o.b. Point

Delivery of the parts shall be made to Buyer F.o.b. AAR's facility.

WARRANTY NOTICE: ALL RETURNS MUST HAVE A RETURN MATERIAL AUTHORIZATION NUMBER IN ORDER FOR AAR TO ISSUE A CREDIT OR REPLACEMENT. PLEASE WRITE THE RMA NUMBER ON EACH CARTON IN ORDER TO EXPEDITE THE PROCESSING OF YOUR WARRANTY CLAIM. TO OBTAIN AN RMA NUMBER, CALL (630) 227-2000 AND CONTACT YOUR SALES OR CUSTOMER SERVICE REPRESENTATIVE.