

STANDARD TERMS AND CONDITIONS

1. Acceptance of Terms and Conditions The Parts referenced 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 each agreement.

2. Limited Warranty for Sales of Parts

A. Coverage and Warranty Period AAR hereby warrants that the Parts sold hereunder will be free of any defects in material or workmanship in accordance with the following warranty schedule based on the condition code of the parts stated on the shipper or invoice thereof; and that it will have goods title to the parts it sells to the BUYER hereunder at the time of delivery. Part Condition, Definition and Warranty periods are defined as follows:

DEFENITION CODE	DEFINITION	WARRANTY
FACTORY NEW (F)	Unit received from OEM or authorized distributor in original package.	Aircraft, Engine & APU parts: No warranty except Original Equipment Manufacturers (OEM) warranty will be assigned per the Assignment of Warranties.
NEW/UNUSED (N)	Unit received from OEM or authorized distributor.	Expendable Aircraft & APU Parts: Thirty (30) days from date of shipment. Aircraft Parts: Twelve (12) months from date of shipment or one thousand (1000) flight hours, whichever occurs first. Engine & APU Parts: six (6) months from date of shipment.
OVERHAULED & CERTIFIED (O)	Unit certified airworthy by an agency or airline to a TSO or 00:00 or “overhauled”.	Aircraft Parts: Twelve (12) moths from date of shipment or one thousand (1000) flight hours, whichever occurs first. Engine & APU Parts: Six (6) months from date of shipment. Complete APU’s: Six (6) months from date of shipment or five hundred (500) light hours, whichever occurs first.
SERVICEABLE (S)	Unit certified airworthy by an authorized agency or airline.	Aircraft Parts: Six (6) moths from date of shipment or (500) five hundred flight hours, whichever occurs first. Engine & APU Parts: One (1) month from date of shipment. Complete APU’s: Six (6) moths from date of shipment or five hundred (500) flight hours, whichever occurs first.
REPAIRABLE (R)	Unit is used not certified airworthy but can be economically repaired and/or overhauled.	Aircraft Engine, and APU Parts: No Warranty other than the unit is repairable. A repair cap must be agreed upon at the time of the sale. If the unit exceeds the agreed cap, the customer shall have the right to return the unit for full credit. Any unit that s to be returned must have the approval of AAR. AAR will allow up to sixty (60) days from the date of shipment for the customer to determine the repairability of the unit and AAR will allow an additional 30 days to return the part. This return policy will become null and void after a total time of 90 days from the date of shipment. Any Repairable part sold at a price of \$750.00 or less is considered “AS IS”.
AS IS (A)	Condition and history unknown; has no airworthiness certification.	No warranty expressed or implied except as to title. This condition has no provisions of any kind.

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 AAR's expense and option, any such damaged 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-rated 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 if 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 described herein are subject to the following conditions:

1. The warranted product has been used under normal operating conditions as established by the OEM and has not been subject to misuse, mishandling negligence, accident, or ingestion of foreign material (FOD).
2. The warranted product has not been altered or repaired or serviced since purchased by anyone other than AAR or its authorized agent.
3. The warranted part has been maintained in accordance with an FAA- approved Airworthiness Maintenance Program and Maintenance Manual (or equivalent government approved documentation for those BUYER's operating under foreign registry) and with any written instructions provided by AAR and/or the original equipment manufacturer (OEM).
4. BUYER within the applicable warranty period or within 10 days of discovery of a malfunction, whichever is earlier notifies AAR of its claim and the basis for such claim.
5. 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.
6. All transportation costs and risk of loss of warranted parts shipped for correction of defects to and from the facility designated by AAR are borne by BUYER.
7. All documentation originally furnished BUYER with the 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 OF MERCHANTABILITY OR FITNESS FOR INTENDED 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 OF AAR.

F. ASSIGNMENT OF WARRANTIES AAR hereby assigns to BUYER, effective upon payment in full for the part, any and all existing manufacturers and overhaul agency warranties for the part which run to AAR, to the extent assignable. 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 costs and expenses incurred by AAR in connection with such assistance. With respect to such assignments, it is understood that except as provided to this paragraph "F" AAR will have no further liability to BUYER.

G. WARRANTY REPAIRS Warranty Repairs hereunder may be performed by BUYER upon BUYER's request and consent hereto by AAR in writing given prior to commencement of any such repairs. AAR will reimburse BUYER for actual reasonable costs for any such repairs consented to by AAR in writing.

H. NON-COVERED ITEMS If Determines that the Part is not covered by warranty, BUYER will pay AAR for the work performed and materials furnished in connection with teardown, investigation reassemble, 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 WARANTY EXCEED THE PURCHASE PRICE ACTUALLY PAID FOR THE PART.

3. INDEMNIFICATION: BUYER hereby releases and agrees to defend , indemnity and hold AAR; it directors, officers, employees and agents harmless 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 hereto) for deaths of or injuries to any persons whatsoever (including, without limitation, BUYER's employees) and for loss of, therewith or incident thereto and for loss of, damage to destruction of, or delay in the delivery of any property whatsoever (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 I 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 PEOSPECTIVE ECONOMIC ADVATAGE, RESULTING DIRECTLY OR INDERECTLY FORM THIS TRANSACTION OR THE USE OF THE PARTS OR ANY INABILITY TO USE SUCH EITHER SEPERATELY OR IN CONJUNCTION WITH OTHER PARTS OR EQUIPMENT.

5. PAYMENT Payment shall be made in U.S. Dollars and the payment terms shall be Net Thirty (30) days, unless otherwise specified without right of sell-off.

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. DELIVERY and TITLE Unless otherwise agreed, delivery shall be made F.O.B shipping point (AAR's warehouse or other location) and according to the delivery schedule specified herein. Title and risk of loss of each part will pass to buyer upon delivery. Such delivery schedule is approximate only and subject to delays due to causes beyond AAR's control or force majeure, including, but not limited to, acts of God or the public enemy, acts or omissions of Government, civil war, war or warlike operations, insurrection or riots, restrictions, strikes or other labor disputes, or freight embargoes, inability to secure or failure of suppliers to deliver parts or materials, floods, explosions, fires, earthquakes, failure of transportation, acts or omission of buyer or for any other cause beyond AAR's control. In the event of such delay, the delivery dates shall be extended accordingly for a period equal to the time lost by reason of such delay. In no event shall AAR be liable for any special incidental or consequential damages.

8. INSPECTION and ACCEPTANCE Buyer will accept each Part upon delivery in accordance with the provisions hereof, subject only to rejection of any non-conforming Part by notice in writing given with ten (10) days after Delivery. A Part will be deemed non-conforming only if it is functionally defective or does not conform to the relevant condition code in Section 2. Buyer will promptly return to AAR, or otherwise dispose of any non-conforming part pursuant to AAR's written instructions and at AAR's expense, which will be given within thirty(30) days of AAR's receipt of Buyers written notice of rejection for non- conformance. If AAR fails to furnish Buyer with such instructions, Buyer will return any non-conforming Part to AAR at AAR's expense in accordance with commercially reasonable practices, subject to confirmation

of the non-conforming status by AAR. AAR will, within a reasonable period of time after notice of rejection and non-conforming status, ship conforming Parts to replace any non-conforming Parts unless Buyer cancels it's Order with respect to such non-conforming Parts, in which case a full credit will be given Buyer of any payments made to AAR for the non-conforming Part cancelled. If a Part is non-conforming and Buyer fails to return to AAR or notify AAR of the non-conformance within said (10) day period, then it will be conclusively deemed for all purposes that the Part conforms in all respects.

9. ENTIRE CONTRACT The express terms and conditions contained on the Shipper or Invoice and those set forth on any continuation sheets, contain the entire understanding of the parties with respect to the sale of the parts. Any terms and conditions proposed in BUYER's purchase order which add to, vary from or conflict with the terms and conditions herein are hereby expressly objected to any may become effective on if accepted by AAR in writing.

10. 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 Contract for 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.

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

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