



## Mobility Systems

An ISO 9001:2000 Registered Company  
A division of AAR Manufacturing, Inc.

### **PURCHASE A** Commercial (Non-Government Terms) (Revised 08-09-10)

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#### **1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS**

- (a) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the Parties.
- (b) SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract.



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**(c) Additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment hereof are hereby objected to by AAR Mobility Systems and have no effect unless expressly accepted in writing by AAR Mobility Systems.**

### 2. APPLICABLE LAWS

- (a) This Agreement shall be construed and governed according to the law of the State of Illinois. If the Vendor 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.
- (b) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to AAR Mobility Systems hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.
- (c) SELLER shall provide to AAR Mobility Systems with each delivery any Material Safety Data Sheet applicable to the Work in conformance with and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder, or its State approved counterpart.

### 3. ASSIGNMENT

Vendor may not assign any rights or obligations arising under this Order without the prior written consent of Buyer.

### 4. CHANGES

- (a) The AAR Mobility Systems Procurement Representative may at any time, by written notice, and without notice to sureties or assignees, make changes within the general scope of this Contract in any one or more of the following: (i) drawings, designs or specifications; (ii) method of shipping or packing; (iii) place of inspection, acceptance or point of delivery; and (iv) delivery schedule.
- (b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of this Contract, AAR Mobility Systems shall make an equitable adjustment in the Contract price and/or delivery schedule, and modify the Contract accordingly. Changes to the delivery schedule will be subject to a price adjustment only.
- (c) Any claim for an equitable adjustment by SELLER must be submitted in writing to AAR Mobility Systems within thirty (30) days from the date of notice of the change, unless the Parties agree in writing to a longer period.
- (d) Failure to agree to any adjustment shall be resolved in accordance with the "Disputes" clause of this Contract. However, nothing contained in this "Changes" clause shall excuse SELLER from proceeding without delay in the performance of this Contract as changed.

### 5. CONTRACT DIRECTION

- (a) Only the AAR Mobility Systems Procurement Representative has authority to amend this Contract. Such amendments must be in writing.
- (b) AAR Mobility Systems engineering and technical personnel may from time to time render assistance or give technical advice or discuss or effect an exchange of information with SELLER's personnel concerning the Work hereunder. Such actions shall not be deemed to be a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment.



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- (c) Except as otherwise provided herein, all notices to be furnished by the SELLER shall be sent to the AAR Mobility Systems Procurement Representative.

### 6. DEFAULT

- (a) AAR Mobility Systems, by written notice, may terminate this Contract for default, in whole or in part, if SELLER fails to comply with any of the terms of this Contract, fails to make progress as to endanger performance of this Contract, or fails to provide adequate assurance of future performance. SELLER shall have ten (10) days (or such longer period as AAR Mobility Systems may authorize in writing) to cure any such failure after receipt of notice from AAR Mobility Systems. Default involving delivery schedule delays shall not be subject to the cure provision.
- (b) AAR Mobility Systems shall not be liable for any Work not accepted; however, AAR Mobility Systems may require SELLER to deliver to AAR Mobility Systems any supplies and materials, manufacturing materials, and manufacturing drawings that SELLER has specifically produced or acquired for the terminated portion of this Contract. AAR Mobility Systems and SELLER shall agree on the amount of payment for these other deliverables.
- (c) SELLER shall continue all Work not terminated.
- (d) If after termination under paragraph (a), it is later determined that SELLER was not in default, such termination shall be deemed a Termination for Convenience in accordance with the Termination for Convenience clause.

### 7. DEFINITIONS

The following terms shall have the meanings set forth below:

- (a) "Contract" means the instrument of contracting, such as this "PO", "Purchase Order, or other such type designation, including all referenced documents, exhibits and attachments. If these terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a Purchase Order or other such document) the term "Contract" shall also mean the Release document for the Work to be performed.
- (b) "AAR Mobility Systems" means AAR Mobility Systems, Inc., as identified on the face of the Contract. If a subsidiary or affiliate of AAR Mobility Systems Inc. is identified on the face of the Contract then "AAR Mobility Systems" means that subsidiary, or affiliate.
- (c) "AAR Mobility Systems Procurement Representative" means a person authorized by AAR Mobility Systems's cognizant procurement organization to administer and/or execute this Contract.
- (d) "PO" or "Purchase Order" as used in any document constituting a part of this Contract shall mean this Contract.
- (e) "SELLER" means the Party identified on the face of the Contract with whom AAR Mobility Systems is contracting.
- (f) "Work" means all required articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

### 8. DISPUTES



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All disputes under this Contract which are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by AAR Mobility Systems.

### 9. EXPORT CONTROL

- (a) SELLER agrees to comply with all applicable U.S. export control laws and regulations. Without limiting the foregoing, SELLER agrees that it will not transfer any export controlled item, data or services, to include transfer to foreign persons employed by or associated with, or under contract to SELLER or SELLER's lower-tier suppliers, without the authority of an Export License or applicable license exception.
- (b) SELLER agrees to notify AAR Mobility Systems if any deliverable under this Contract is restricted by export control laws or regulations.
- (c) SELLER shall immediately notify the AAR Mobility Systems Procurement Representative if SELLER is listed in any Denied Parties List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any U. S. Government entity or agency.

### 10. EXTRAS

Work shall not be supplied in excess of quantities specified in the Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

### 11. FURNISHED PROPERTY

- (a) AAR Mobility Systems may provide to SELLER property owned by either AAR Mobility Systems or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.
- (b) Title to Furnished Property shall remain in AAR Mobility Systems or its customer. SELLER shall clearly mark (if not so marked) all Furnished Property to show its ownership.
- (c) Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify AAR Mobility Systems of, any loss or damage. Without additional charge, SELLER shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.
- (d) At AAR Mobility Systems's request, and/or upon completion of this Contract the SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by AAR Mobility Systems.

### 12. GRATUITIES/KICKBACKS

No gratuities (in the form of entertainment, gifts or otherwise) or kickbacks shall be offered or given by SELLER, to any employee of AAR Mobility Systems with a view toward securing favorable treatment as a supplier. SELLER will comply with all applicable laws, statutes and regulations, and orders and rules, including the Foreign Corrupt Practices Act (FCPA).

### 13. INDEPENDENT CONTRACTOR RELATIONSHIP

- (a) SELLER is an independent contractor in all its operations and activities hereunder. The employees used by SELLER to perform Work under this Contract shall be SELLER's employees exclusively without any relation whatsoever to AAR Mobility Systems.



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- (b) SELLER shall be responsible for any costs or expenses including attorneys' fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Contract.

### 14. INFORMATION OF AAR MOBILITY SYSTEMS

Information provided by AAR Mobility Systems to SELLER remains the property of AAR Mobility Systems. SELLER agrees to comply with the terms of any Proprietary Information Agreement with AAR Mobility Systems and to comply with all Proprietary Information markings and Restrictive Legends applied by AAR Mobility Systems to anything provided hereunder to SELLER. SELLER agrees not to use any AAR Mobility Systems provided information for **any purpose except to perform this Contract and agrees not to disclose such information to third parties without the prior written consent of AAR Mobility Systems.**

### 15. INFORMATION OF SELLER

SELLER shall not provide any proprietary information to AAR Mobility Systems without prior execution by AAR Mobility Systems of a Proprietary Information Agreement.

### 16. INSPECTION AND ACCEPTANCE

- (a) AAR Mobility Systems and its customer may inspect all Work at reasonable times and places, including, when practicable, during manufacture and before shipment. SELLER shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge.
- (b) No such inspection shall relieve SELLER of its obligations to furnish all Work in accordance with the requirements of this Contract. AAR Mobility Systems's final inspection and acceptance shall be at destination.
- (c) If SELLER delivers non-conforming Work, AAR Mobility Systems may; (i) accept all or part of such Work at an equitable price reduction; (ii) reject such Work; or (iii) make, or have a third party make all repairs, modifications, or replacements necessary to enable such Work to comply in all respects with Contract requirements and charge the cost incurred to SELLER.
- (d) SELLER shall not re-tender rejected Work without disclosing the corrective action taken.

### 17. INSURANCE/ENTRY ON AAR MOBILITY SYSTEMS PROPERTY

In the event that SELLER, its employees, agents, or subcontractors enter the site(s) of AAR Mobility Systems or its customers for any reason in connection with this Contract then SELLER and its subcontractors shall procure and maintain worker's compensation, comprehensive general liability, bodily injury and property damage insurance in reasonable amounts, and such other insurance as AAR Mobility Systems may require. In addition, SELLER and its subcontractors shall comply with all site requirements. SELLER shall indemnify and hold harmless AAR Mobility Systems, its officers, employees, and agents from any losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, by reason of property damage or loss or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officers, employees, agents, suppliers, or subcontractors. SELLER shall provide AAR Mobility Systems thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance. If requested, SELLER shall send a "Certificate of Insurance" showing SELLER's compliance with these requirements. SELLER shall name AAR Mobility Systems as an additional insured for the duration of this Contract. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of AAR Mobility Systems and is not contributory with any



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insurance which AAR Mobility Systems may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier.

### **18. INTELLECTUAL PROPERTY**

Subparagraph (a) is NOT applicable for commercial off-the-shelf purchases unless such off-the-shelf Work is modified or redesigned pursuant to this Contract.

(a) SELLER agrees that AAR Mobility Systems shall be the owner of all inventions, technology, designs, works of authorship, mask works, technical information, computer software, business information and other information conceived, developed or otherwise generated in the performance of this Contract by or on behalf of SELLER. SELLER hereby assigns and agrees to assign all right, title, and interest in the foregoing to AAR Mobility Systems, including without limitation all copyrights, patent rights and other intellectual property rights therein and further agrees to execute, at AAR Mobility Systems' request and expense, all documentation necessary to perfect title therein in AAR Mobility Systems. SELLER agrees that it will maintain and disclose to AAR Mobility Systems written records of, and otherwise provide AAR Mobility Systems with full access to, the subject matter covered by this clause and that all such subject matter will be deemed information of AAR Mobility Systems and subject to the protection provisions of the clause entitled "Information of AAR Mobility Systems". SELLER agrees to assist AAR Mobility Systems, at AAR Mobility Systems' request and expense, in every reasonable way, in obtaining, maintaining, and enforcing patent and other intellectual property protection on the subject matter covered by this clause.

(b) SELLER warrants that the Work performed and delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. SELLER agrees to defend, indemnify and hold harmless AAR Mobility Systems and its customers from and against any claims, damages, losses, costs and expenses, including reasonable attorneys' fees, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.

### **19. NEW MATERIALS**

The Work to be delivered hereunder shall consist of new materials, not used, or reconditioned, remanufactured or of such age as to impair its usefulness or safety.

### **20. OFFSET CREDIT/COOPERATION**

All offset or countertrade credit value resulting from this Contract shall accrue solely to the benefit of AAR Mobility Systems. SELLER agrees to cooperate with AAR Mobility Systems in the fulfillment of any foreign offset/countertrade obligations.

### **21. PACKING AND SHIPMENT**

(a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice.

(b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the AAR Mobility Systems Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.

(c) Unless otherwise specified, delivery shall be FOB Destination.



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- (d) The SELLER shall provide for adequate facilities and instructions for handling, packaging, and shipping to protect the products and prevent damage during storage and transit.

### 22. PAYMENTS, TAXES, AND DUTIES

- (a) Unless otherwise provided, terms of payment shall be net thirty (30) days from the latest of the following:
  - (i) AAR Mobility Systems' receipt of the SELLER's proper invoice; (ii) Scheduled delivery date of the Work; or (iii) Actual delivery of the Work. AAR Mobility Systems shall have a right of setoff against payments due or at issue under this Contract or any other contract between the Parties.
- (b) Payment shall be deemed to have been made as of the date of mailing AAR Mobility Systems' payment or electronic funds transfer.
- (c) Unless otherwise specified, prices include all applicable federal, state and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

### 23. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) Face of the Purchase Order, Release document or Schedule, (which shall include continuation sheets), as applicable, including any Special terms and conditions; (2) Any master-type agreement (such as corporate, sector or blanket agreements); (3) these General Provisions; and (4) Statement of Work.

### 24. QUALITY CONTROL SYSTEM

- (a) SELLER shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in this Contract.
- (b) Records of all quality control inspection work by SELLER shall be kept complete and available to AAR Mobility Systems and its customers.

### 25. RELEASE OF INFORMATION

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER without the prior written approval of AAR Mobility Systems.

### 26. SEVERABILITY

Each paragraph and provision of this Contract is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

### 27. STOP WORK ORDER

- (a) SELLER shall stop Work for up to ninety (90) days in accordance with the terms of any written notice received from AAR Mobility Systems, or for such longer period of time as the Parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work covered by this Contract during the period of Work stoppage.
- (b) Within such period, AAR Mobility Systems shall either terminate or continue the Work by written order to SELLER. In the event of a continuation, an equitable adjustment in accordance with the principles of the "Changes" clause, shall be made to the price, delivery schedule, or other provision affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after such continuation.



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### 28. SURVIVABILITY

If this Contract expires, is completed, or is terminated, SELLER shall not be relieved of those obligations contained in the following provisions:

- Applicable Laws
- Export Control
- Independent Contractor Relationship
- Information of AAR Mobility Systems
- Insurance/Entry on AAR Mobility Systems Property
- Intellectual Property
- Release of Information
- Warranty

### 29. TERMINATION FOR CONVENIENCE

- (a) For specially performed Work: AAR Mobility Systems may terminate part or all of this Contract for its convenience by giving written notice to SELLER. AAR Mobility Systems's only obligation shall be to pay SELLER a percentage of the price reflecting the percentage of the Work performed prior to the notice of termination, plus reasonable charges that SELLER can demonstrate to the satisfaction of AAR Mobility Systems, using generally accepted accounting principles, have resulted from the termination. SELLER shall not be paid for any Work performed or costs incurred which reasonably could have been avoided.
- (b) In no event shall AAR Mobility Systems be liable for special, incidental or consequential damage, for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Contract price. SELLER's termination claim shall be submitted within ninety (90) days from the effective date of the termination.
- (c) For other than specially performed Work: AAR Mobility Systems may terminate part or all of this Contract for its convenience by giving written notice to SELLER and AAR Mobility Systems's only obligation to SELLER shall be payment of a mutually agreed-upon restocking or service charge.
- (d) In either case, SELLER shall continue all Work not terminated.

### 30. TIMELY PERFORMANCE

- (a) SELLER's timely performance is a critical element of this Contract.
- (b) Unless advance shipment has been authorized in writing by AAR Mobility Systems, AAR Mobility Systems may store at SELLER's expense, or return, shipping charges collect, all Work received in advance of the scheduled delivery date.
- (c) If SELLER becomes aware of difficulty in performing the Work, SELLER shall timely notify AAR Mobility Systems, in writing, giving pertinent details. This notification shall not change any delivery schedule.
- (d) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless there has been prior written consent by AAR Mobility Systems.

### 31. WAIVER, APPROVAL, AND REMEDIES

- (a) Failure by AAR Mobility Systems to enforce any of the provision(s) of this Contract shall not be construed as a waiver of the requirement(s) of such provision(s), or as a waiver of the right of AAR Mobility Systems thereafter to enforce each and every such provision(s).





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- (b) AAR Mobility Systems' approval of documents shall not relieve SELLER from complying with any requirements of this Contract.
- (c) The rights and remedies of AAR Mobility Systems in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.

### 32. WARRANTY

SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, and descriptions, and other requirements of this Contract and be free from defects in design, material and workmanship. The warranty shall begin upon final acceptance and extend for a period of (i) the manufacturer's warranty period or one (1) year, whichever is longer, if SELLER is not the manufacturer and has not modified the Work or, (ii) one (1) year or the manufacturer's warranty period, whichever is longer if the SELLER is the manufacturer of the Work or has modified it. If any non-conformity with Work appears within that time, SELLER, at AAR Mobility Systems' option, shall promptly repair, replace, or reperform the Work. Transportation of replacement Work and return of non-conforming Work and repeat performance of Work shall be at SELLER's expense. If repair or replacement or reperformance of Work is not timely, AAR Mobility Systems may elect to return the non-conforming Work or repair or replace Work or reprocur the Work at SELLER's expense. All warranties shall run to AAR Mobility Systems and its customers. **Any implied warranty of merchantability and fitness for a particular purpose is hereby disclaimed.**

### 33. RECORD RETENTION

Records/documents providing objective evidence of conformance to drawings, standards, and other applicable specifications considered essential to the effective operation of the purchase order shall be maintained. They shall be legible, dated, clean, readily identifiable and maintained in an orderly manner. They shall provide traceability to specific products and use actual data, as required by applicable specifications, to indicate acceptability of the product. Records/documents may be either hard copy or computer media. While in storage, records/documents shall be protected from damage, loss and deterioration due to environmental conditions. Records shall be maintained for five (5) years. At the end of five (5) years, the Seller shall provide AAR Mobility Systems with the option of having the records forwarded to AAR for further retention, as required by the contract, or authorizing disposal of the records/documents at the Seller's location. Disposition shall be done in a timely and appropriate manner. AAR shall be notified when disposition has take place.

### 34. COUNTERFEIT/USED PARTS

The Seller shall establish, implement and maintain documented procedures, which shall detect and/or preclude the use of counterfeit/used parts.

### 35. CORRECTIVE ACTION

The Seller is responsible for providing corrective action responses as requested by AAR Mobility Systems. For a non conformance deemed to be caused by the supplier, AAR will generate a SCAR (Supplier Corrective Action Response) to the supplier. It is the supplier's responsibility to complete the entire SCAR and submit to AAR for review and approval, the SCAR will stay open until such approval from AAR is achieved. AAR is committed to providing quality products to our customers and we expect supplier's participating on this program to display the same commitment in the materials they are providing to AAR. AAR Mobility Systems tracks SCAR turnaround time as a key metric in the monthly supplier scorecard provided to each supplier.



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Purchase Order Text

**36. CONFIGURATION STATEMENT**

The item described on our drawing is the only configuration approved by AAR Mobility Systems. No changes shall be made to this part or sub-component, processes and/or manufacturing location without the prior notification and approval from AAR. All requests for change shall include the reason for change and written assurance that the change will not affect fit, form, or function, supported by testing and/or analysis. Any cost incurred by AAR for unauthorized changes will result in a debit to your account.