AAR GOVERNMENT SERVICES, INC.
FIXED PRICE (COMMERCIAL ITEMS OR SERVICES FOR GOVERNMENT PROGRAMS)
F117 STANDARD TERMS AND CONDITIONS:
GENERAL PROVISIONS

Except as may be expressly set forth in this Subcontract with the Government Contracting Officer's express consent, the subcontractor shall not acquire any direct claim or direct course of action against the US Government. Seller shall include in each lower-tier subcontract the appropriate flow down clauses as required by the Federal Acquisition Regulation (FAR).

GENERAL PROVISIONS

1. **DEFINITIONS**

   All capitalized terms not otherwise defined in this Agreement shall have the meanings set forth below in this Section 1 or in the cover page of this Agreement:

   a. "Affiliate" means, with respect to any entity, any other entity that directly or indirectly controls, is owned by, controlled by or under common ownership or control with such entity.
   b. "Agreement" means this Agreement.
   c. "Applicable Laws" mean all local, state, provincial, national and federal laws, regulations, rules and orders of public authority applicable to the Products and/or Services.
   d. "Business Contact Information" shall mean name, job title, job function, name of employer, information about the employer (such as business unit or group charge number), and work contact details, such as work telephone numbers, work email address, work mailing address, work office address, job title, job function, employer name, and supervisor or assistant name and work contact details.
   e. "Buyer" means AAR Supply Chain, Inc., and any successor or assignee of Buyer.
   f. "Buyer's Customer" means the ultimate owner or lessee of the Services and includes the purchaser of an end product incorporating the Services provided by Supplier under the Order.
   g. "BUYER Information" means (i) any Proprietary Information and any other data, materials or information owned or managed by Buyer or Buyer's Affiliates or which Buyer or Buyer's Affiliates are obligated to manage and/or protect on behalf of others: (a) provided to Supplier by Buyer or Buyer's Affiliate; or (b) that Supplier collects, Processes, generates or uses for or on behalf of or at the direction of Buyer or Buyer's Affiliate in providing the Services to Buyer or Buyer's Affiliate; or (c) collected, Processed, generated, or used by Supplier or Supplier Personnel in providing the Services, including in each case metadata from Buyer's or Buyer's Affiliates' use of the Services and derivatives of any of the foregoing (e.g., aggregations of UTC Information, profiles of users of the Services, or analysis of the content of Buyer or Buyer's Affiliate data records or how Buyer or Buyer's Affiliate uses the Services) and (ii) Buyer Personal Information.
   h. "Buyer Personal Information" shall mean any information or data provided to Supplier or its agents, representatives, or subcontractors in connection with the Agreement, any Order and the transactions thereunder that relate to any identified or identifiable natural person, or, to the extent of a conflict with applicable law, that is subject to any Data Privacy Laws.
   i. "Confidential Information" means any information that the disclosing Party designates as confidential or that, under the circumstances of its disclosure, the receiving party should reasonably consider as confidential, subject to the exceptions provided in Section 9(b). Confidential Information includes, without limitation, (a) information, whether oral or written, and whether or not noted thereon to be confidential, exchanged between the Parties pursuant to this Agreement or any Purchase Order or during the negotiations of the Parties in respect of and preceding the entering of this Agreement, including without limitation, process or operational information, calculations and analyses, contract information, engineering data and the like; (b) the terms and conditions of this Agreement and the Purchase Orders; (c) financial and business information of the disclosing Party; (d) any drawings, data, design, specifications, and other technical information, and (e) information received from others that the disclosing Party is obligated to keep confidential.

j. "Customer" means any Customer of the BUYER, including but not limited to United States Government, or a domestic or foreign end user of the Services procured hereunder.

k. "Data Privacy Laws" shall mean applicable national, federal, state and provincial laws relating to data privacy, the protection of personal information or data, and the cross-border transfer of personal information or data, including, without limitation, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the laws and regulations of the European Union member states under the European Union Directive 95/46/EC (the "EU Directive"), the General Data Protection Regulation ("GDPR"), and any European Union law or regulation that may be enacted to replace the EU Directive or the GDPR.

l. "Delivery Date" means the date of delivery for Services as specified in an Order and/or by the Delivery System.

m. "Delivery System" means BUYER's computer-based, web-enabled delivery scheduling system or, alternatively, other paper-based communication system.

n. "Derived Technical Data" means information that is (i) of non-U.S. origin but subject to U.S. jurisdiction, and (ii) in any form necessary for the design, development, production, operation, modification or maintenance of Services, as set forth in applicable ITC Laws. Derived Technical Data can include, but is not limited to, drawings, specifications, or operation sheets that contain U.S.-origin data or that were developed using U.S.-origin data.

o. "FAA" means the U.S. Federal Aviation Administration.

p. "Facilities" means Buyer's facilities or the facilities of Buyer's Customers.

q. "Intellectual Property" means all inventions, patents, software, copyrights, mask works, industrial property rights, trademarks, trade secrets, know-how, proprietary information and rights and information of a similar nature. Such information includes, without limitation, designs, processes, drawings, prints, specifications, reports, data, technical information, and instructions.

r. "Party" or "Parties" shall mean Buyer and/or Supplier, individually or collectively, as the context requires.

s. "Prime Contract" means the government or commercial sales contract between Buyer and Buyer's Customer and its customers.

t. "Purchase Order" means an electronic document sent by Buyer to Supplier, or where provided for in this Agreement, an entry on a Buyer web site, to initiate the ordering of Services, such as a purchase order, a scheduling agreement, a statement of work or other authorization or Order, and including change notices, supplements or modifications thereto. The phrase "in connection with the Order" includes performance of the Order, performance in anticipation of the Order, and preparation of a bid or proposal for the Order. Where the context permits, the term Order includes Agreement.

u. "Prices" mean the prices (including any applicable adjustments or discounts) for the Products and/or Services, which amounts include (unless otherwise expressly provided in this Agreement) all sums due for the supply and delivery of Products and/or Services to BUYER, including without limitation, any palletization charges, taxes, freight and shipping costs.

v. "Processing" or "Processes" means with respect to UTC Information, to use, access, manipulate, modify, disclose, store (including backup), transmit, transfer, retain and dispose of such UTC Information.

w. "Requirements" means the actual Customer prime or higher tier contract orders that may necessitate the procurement of the Services listed in the included documents and/or Exhibits.

x. "Services" means services described in Orders, the purchase of which is governed by the terms of this Agreement and will be deemed to include, without limitation, all related work product, goods and deliverables, including, without limitation, software, technology, drawings, data reports, manuals, other specified documentation, or items that are necessary and incidental to, or required to be delivered pursuant to, or in connection with, an Order.

y. "Similar Quantities" means quantities of services in the amounts/ranges in this Agreement.

z. "Site-Specific Safety Standards" means BUYER's site-specific safety, health or environment procedures or requirements. BUYER reserves the right to amend, revise or change the Site Specific Safety Standards in its reasonable discretion.

aa. "Specifications" means all requirements with which Services and performance hereunder must comply, including, without limitation, as applicable, P&W quality requirements, as such requirements are specified and/or referenced in this Agreement and Purchase Orders, as such requirements are modified from time to time.

bb. "Supplier Personnel" shall mean Supplier's employees, agents, representatives, subcontractors, subcontractor employees, or any other person used by Supplier in the performance hereof.

cc. "Systems" means Buyer's or Buyer's Customer's and its customer's computer based information systems, computer systems, databases and/or files.

dd. "Taxes or Tax" means any and all sales, use, personal, property, real property, value added, goods and services (GST), consumption, turnover, stamp, documentary, interest equalization, business, occupation, excise, income, corporation, profits, gains, gross receipts, or other taxes, fees, withholdings, imposts, levies, duties or other charges of any nature whatsoever, together with any penalties, fines or interest thereon or similar additions thereto, imposed, levied or assessed by any government, governmental, semi-governmental or other relevant authority or otherwise payable on or in respect of the delivery/supply by Supplier of the Products and/or Services to the BUYER.

ee. "Technical Data" means information that is necessary for the design, development, production, operation, modification or maintenance of Services as set forth in applicable ITC Laws. "Technical Data" includes Derived Technical Data.

ff. "Term" means the period of effectivity of this Agreement.

2. ENTIRE AGREEMENT

Subcontractor agrees to the following General Provisions, and Subcontractor further agrees that the terms and conditions of the Subcontract and any documents (including these General Provisions, Purchase or Repair Orders, and any plans, specifications, schedules, regulations, etc.) attached to or incorporated by reference into the Subcontract shall constitute the entire agreement between the parties hereto and supersede all prior agreements relating to the subject matter hereof. Subcontractor represents and warrants that in entering the Subcontract, Subcontractor does not rely on any previous direct or implied representation, inducement, or understanding of any kind.

This Agreement is Buyer's offer to purchase the Services described in this offer. Acceptance is strictly limited to the terms and conditions included in this offer. Unless specifically agreed to in writing by Buyer's Authorized Representative, Buyer objects to, and is not bound by, any term or condition that differs from or adds to this offer. Supplier's commencement of performance or acceptance of this offer in any manner shall conclusively evidence acceptance of this offer as written.

3. ORDER OF PRECEDENCE

To the extent there are any conflicts among the provisions within the Subcontract, such conflicting provisions shall prevail in the following order of precedence: i) Subcontract or Purchase Order; ii) Special Provisions as identified in the Supplemental Terms; iii) these General Provisions; iv) Statement of work or any other attachments when attached or incorporated by reference; v) Specifications.

4. ACCEPTANCE – MODIFICATION OF TERMS

The Subcontract constitutes acceptance of Subcontractor's offer and such acceptance is expressly made conditional on Subcontractor's assent to the terms and conditions contained in the Subcontract. The Subcontract will be deemed accepted by Subcontractor upon the first to occur (i) Subcontractor's written acceptance of the Subcontract; or (ii) Subcontractor's commencement of performance under the Subcontract. In either such event any additional or different terms proposed by Subcontractor are rejected unless expressly approved in writing by an Authorized AAR Procurement Official. No communication from Subcontractor that in any way differs from or adds to the Subcontract, irrespective of whether or not AAR seasonably objects thereto, will be binding upon AAR unless such different or additional terms are incorporated into a writing signed by both AAR and Subcontractor, making express reference to the Subcontract.

5. CHANGES

Changes in the terms and conditions of this Subcontract may be made only by written agreement of the parties.

a. Equitable Adjustment: If any such change causes a variation in the cost of performance or the time required for performance, AAR may make an equitable adjustment in the Subcontract price and delivery schedule (except as otherwise provided herein) and the parties' shall modify the Subcontract in writing accordingly. Subcontractor must make any request, with a fully supported proposal, for an equitable adjustment of price or schedule in writing to AAR within ten (10) business days from the date of AAR's written notification to Subcontractor of the change or such further time as AAR may allow in writing. Subcontractor shall then have fifteen (15) days; from the date it submitted its request to AAR for an equitable adjustment to submit a fully supported proposal. Subcontractor's failure to adhere to the time deadline in submitting its equitable adjustment proposal shall waive Subcontractor's right to seek an equitable adjustment. Pending any equitable adjustment, Subcontractor shall proceed in accordance with the change order. The parties' failure to agree to any adjustment shall be a dispute concerning a question of fact covered by the clause entitled, Governing law and Jurisdiction.

6. DELIVERY, TITLE, AND RISK OF LOSS

Supplier will deliver the Products to BUYER at the Delivery Point on or before the Delivery Date. Time is of the essence of Supplier's performance of this Agreement. Risk of loss of the Products remains with Supplier and title will not pass to BUYER until the Products are delivered to and accepted by BUYER at the Delivery Point.

a. Inspection and Rejection. All Products shall be received subject to BUYER's inspection and approval. Products that are not in good condition, damaged by delivery or rejected by BUYER as not conforming to this Agreement shall be returned to Supplier at Supplier's risk and expense and shall not be replaced by Supplier without the BUYER's written authorization. All Products shall, before delivery, be subject to inspection, tests, and audits by BUYER or its agent at reasonable times and places. Supplier agrees to provide access for BUYER to its facilities at all reasonable times for such inspection, tests, and audits, and, at no additional cost, to provide all assistance and facilities reasonably necessary to perform the same. Neither the inspection, testing, or auditing of any Products, nor the failure to do so, before delivery to BUYER shall constitute acceptance of any Products, or relieve Supplier from exclusive responsibility for furnishing Products in strict conformance with the BUYER's specifications. Supplier warrants that it has and will maintain an adequate quality control/assurance program with respect to the production and delivery of Products and that it creates and maintains adequate quality control/assurance reports, certificates, affidavits, and other such records relating to the Products. Supplier agrees that, upon request and at no additional charge, it will promptly furnish authenticated copies thereof, as well as applicable certificates of conformance and/or compliance acceptable to BUYER, at the time of, or promptly after, delivery.

b. Upon inspection, BUYER may give Supplier notice of rejection or revocation of acceptance, notwithstanding any payment, passage of title, approval, prior test or inspection. No inspection, approval, test, delay or failure to inspect or test, or failure to discover any defect or other nonconformance, shall relieve Supplier of any obligations under this Agreement or impair or waive any right or remedy of BUYER with respect to Supplier's performance hereunder. If, in BUYER's judgment, the Products do not conform with the requirements of this Agreement, BUYER shall have the right to reject the Products and, in addition to any other rights and remedies it may have, BUYER may, in its sole discretion: (1) return any or all nonconforming Products to Supplier for reimbursement, credit, replacement, or repair as BUYER may direct; (2) correct, rework, and/or repair the Products with all costs associated therewith to be charged to and paid by Supplier; or (3) hold any or all nonconforming Products, at Supplier's risk and expense, for disposal or correction according to Supplier's instructions. Any Products rejected by BUYER and returned to Supplier shall be returned, at Supplier's risk and expense, with the cost of packaging, handling, inspection, examination, transportation and any other costs incidental thereto to be charged to and paid by Supplier. Such Products shall not thereafter be tendered to BUYER for acceptance unless the previous rejection and requirement of correction are disclosed to BUYER in writing. All such nonconforming Products that are so remedied will have the same warranty as stated in Section 4 from the date of re-delivery.

7. COMPLIANCE

a. In supplying the Products and/or Services, Supplier will: (a) comply with and ensure that Supplier's Personnel comply with all Applicable Laws; all reasonable directions and orders given by BUYER's representatives; and all data protection, drug and alcohol, safety, health and environment guidelines, rules and procedures provided to Supplier by BUYER, including, without limitation, any applicable Site Specific Safety Standards; (b) obtain at Supplier's expense any necessary licenses or permits for the supply of the Products and/or Services pursuant to this Agreement; (c) not interfere with any of the activities conducted at BUYER's property; (d) ensure that all of Supplier's Personnel complete any applicable BUYER's safety induction and visitors' site orientation programs before entering BUYER's property; (e) where BUYER is required to comply with any Applicable Laws with respect to its use of the Products, Supplier shall, upon written notice from BUYER, cooperate with BUYER in providing information or certification of the Products. Supplier agrees to obtain any required licenses or approvals and, unless otherwise agreed between the parties elsewhere in this Contract, the payment of all associated duties, taxes and fees. BUYER has the right to require Supplier to remove from any of BUYER's premises any of Supplier's Personnel who have violated any safety rule.

b. Supplier warrants that in the performance of this Agreement and the Purchase Orders, it will comply with all applicable U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations; and Supplier further agrees to save BUYER harmless from any loss, damage, fine, penalty, or expense whatsoever that BUYER may suffer as a result of Supplier's failure to comply with this warranty. The foregoing is in addition to and not in mitigation of any other requirements of this Agreement and the Purchase Orders.

c. Supplier shall obtain and maintain all registrations, licenses and permits required to perform the work under this Agreement and the Purchase Orders.

d. If Supplier is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services Supplier hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls and understands its obligations to comply with International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR").

e. Supplier shall control the disclosure of and access to technical data, information and other items received under this Agreement in accordance with U.S. export control laws and regulations, including but not limited to the ITAR. Supplier agrees that no technical data, information or other items provided by BUYER in connection with this Agreement shall be provided to any foreign persons or to a foreign entity, including without limitation, a foreign subsidiary of Supplier, without the express written authorization of BUYER and Supplier's obtaining of the appropriate export license, technical assistance agreement or other requisite documentation for ITAR controlled technical data or items. It shall be the responsibility of Supplier, with BUYER's reasonable assistance, to determine whether the information provided by BUYER is technical data as outlined in the ITAR (22 CFR 120-130) prior to any release to a third party abiding by the terms outlined herein.

f. Supplier shall immediately notify BUYER if it is or becomes listed on any Excluded or Denied Party List of an agency of the U.S. Government or its export privileges are denied, suspended or revoked.

g. Should Supplier's Services originate from a foreign location, those goods may also be subject to the export control laws and regulations of the country in which the articles or services originate. Supplier agrees to abide by all applicable export control laws and regulations of that originating country. BUYER shall be responsible for complying with any laws or regulations governing the importation of the articles into the United States of America.

h. BUYER may be required to obtain information concerning citizenship or export status of Supplier's personnel. Supplier agrees to provide such information as necessary and certifies the information to be true and correct.

i.

8. ETHICS

a. Supplier acknowledges that BUYER is committed to ethical and fair conduct in all business dealings.

b. SUPPLEMENTAL SUPPLIER CODE OF CONDUCT. Supplier shall adopt and comply with a code of conduct or policy statement regarding business conduct, ethics and compliance that satisfies, at a minimum, the principles and expectations set forth in the United Technologies Corporation Supplier Code of Conduct available at the UTC Supplier Site at the following URL: http://www.utc.com/Suppliers/Pages/Supplier-Code-of-Conduct.aspx ("Supplier Code of Conduct").

9. WARRANTIES

a. SELLER warrants to BUYER that all Services provided under or in connection with an Order: (i) have been, if applicable, and will be performed in a professional and workmanlike manner and in accordance with current, sound and generally accepted industry standards and practices by appropriately licensed, trained, supervised and personnel who are experienced in the appropriate fields; (ii) do, if applicable, and will conform to and be in compliance with all applicable Specifications, performance requirements and other requirements contained in the Order; and (iii) do not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party (the "Service Warranty").

b. SELLER agrees that should any of the Services be defectively performed by SELLER, SELLER will re-perform or correct such defective Services at no additional charge. In the event of failure by SELLER to correct defects in or replace nonconforming Services promptly, BUYER, after receiving written notice of approval from the SELLER, may make such correction or replace such Services and charge SELLER for the cost incurred by BUYER thereby.

c. To the extent SELLER's delivery of Services includes materials or goods, SELLER further warrants that: (i.) The materials or goods shall conform to all specifications and requirements under this Contract and shall be free from defects in materials; (ii.) The materials or goods shall be free from liens or encumbrances; and (iii.) The materials or goods shall not contain any viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (a) damage, destroy or alter any software or hardware; (b) reveal, damage, destroy, or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware. If within the applicable warranty period, any such products is found to be defective in material or workmanship, SELLER shall, if it confirms existence of the valid warranty claim, repair or, at its option, replace such defective product at its expense and with reasonable promptness.

d. SELLER warrants to BUYER that all documentation and certifications by SELLER or SELLER's subcontractors or business partners related to the Services and Order, as applicable, are current, complete, truthful, and accurate and have been signed or stamped, as applicable, by individuals authorized and qualified to sign or stamp such documentation and certifications.

e. Except for permits and/or licenses required by statute or regulation to be obtained by BUYER, SELLER agrees to obtain and maintain - at its own expense - all permits, licenses and other forms of documentation required by SELLER in order to comply with all existing national, state, provincial or local laws, ordinances, and regulations, or of other governmental agency, which may be applicable to SELLER's performance of work hereunder. BUYER reserves the right to review and approve all applications, permits, and licenses prior to the commencement of any work hereunder.

f. This warranty shall begin upon BUYER's final acceptance of the Services and shall survive inspection, test and payment for the Services. For minor and major repairs, this warranty shall extend for a period of twelve (12) months from the delivery of such goods by SELLER or first operation, whichever first occurs. BUYER shall give SELLER prompt notice after discovery of any defect or nonconformance in the Services. This warranty shall run to BUYER and its successors, assigns and customers. In the event of defective or non-conforming Services, SELLER may, at its option and expense, either (i) correct, replace or re-performance of any defective or nonconforming Services, or (ii) make an equitable adjustment in the price of this Agreement. Any

Services corrected, replaced or re-performed shall be subject to the requirements of this Agreement to the same extent as Services initially performed; provided, that only the balance of the original warranty period shall apply to the component.

g. SELLER's warranty excludes damage from submersion, misapplication of power, maintenance performed contrary to specifications, lack of required scheduled maintenance, abnormal wear, foreign object damage, excessive corrosion due to lack of proper preservation, Acts of God, misuse, abuse and neglect, improper packaging and other unusual conditions that are not the result of SELLER's negligence or misconduct.

h. DISCLAIMER. THE WARRANTIES SET FORTH IN THIS WARRANTY PROVISION AND THE OBLIGATIONS AND LIABILITIES OF SUPPLIER THEREUNDER, ARE EXPRESSLY IN LIEU OF, AND BUYER HEREBY WAIVES AND RELEASES SUPPLIER FROM, ANY AND ALL OTHER WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR INTENDED USE, WITH RESPECT TO SUPPLIER'S PERFORMANCE HEREUNDER. NO AGREEME

10. INSURANCE

a. Minimum Insurance Requirements: Without limiting Supplier's duty to hold harmless and indemnify hereunder, Supplier agrees to secure and carry as a minimum the following insurance with respect to all work to be performed under the Agreement and any Order for the duration of the Agreement and any Order: (i) Workers' Compensation Insurance, in an amount sufficient by virtue of the laws of the U.S., foreign country, state, or other governmental subdivision in which the work or any portion of the work is performed and Employer's Liability Insurance in the minimum amount of $1,000,000 for any one occurrence; (ii) if Supplier or its subcontractors have BUYER's materials or equipment in its care, custody or control, Supplier or such subcontractors shall have and maintain All-Risk Property Insurance in an amount sufficient to meet or exceed the value of such material; and (iii) Supplier shall maintain Aircraft Product Liability, Completed Operations Liability and, if applicable to the Goods or Services, Hangarkeepers Liability Insurance coverage in a minimum amount of Combined Single Limit of $5,000,000 for any one occurrence and in the aggregate where applicable, including AV52 coverage (War Risks Insurance). Such insurance shall remain in effect for two (2) years after the expiration or termination of the Order.

b. BUYER's failure to monitor compliance or unsatisfactory compliance with the terms of these insurance requirements does not modify or waive Supplier's obligations hereunder.

c. In no event will the Supplier's liability be limited to the extent of the minimum limits of insurance required herein.

11. BUYER'S PROPERTY

All tools, equipment models, drawings or other materials furnished by BUYER to Supplier or made by Supplier for the purpose of this Agreement or paid for by BUYER and all replacements thereof and materials attached thereto, shall be and remain the property of BUYER. All BUYER's property and, whenever applicable, each individual item thereof, will be plainly marked and otherwise adequately identified by Supplier as being BUYER's property, will at Supplier's expense be safely stored (separate and apart from Supplier's property whenever practicable) and maintained and will be kept free of all liens, claims, encumbrances and interests of third parties. Supplier shall be responsible for loss of and damage to BUYER's property.

12. INTELLECTUAL PROPERTY INDEMNIFICATION

a. Supplier agrees that it shall defend or, at its option, settle, any claim, suit, or proceeding ("Claim") brought against BUYER, BUYER's Customer, Affiliates and subsidiaries based on an allegation that the Services sold by Supplier under this Agreement infringe or violate any Intellectual Property right or license of a third party, and Supplier shall indemnify BUYER against any court awarded damages and other reasonable costs incurred by BUYER as a result of such Claim, provided: (a) BUYER has made all undisputed payments then due; (b) Supplier is notified of said allegation promptly in writing; and (c) Supplier is given full opportunity and authority, information and assistance to conduct the sole defense of said claim, suit or proceeding, including settlement and appeals.

i. Provided all the foregoing conditions have been met, Supplier shall either settle such claim, or pay all court awarded damages.

b. In the event of a final adjudication by a court of competent jurisdiction that the Services infringe any Intellectual Property right or license and the use or sale thereof is enjoined (or in Supplier's reasonable opinion, the use or sale is likely to be enjoined), Supplier shall, at its option, either: (a) obtain for BUYER the right to continue using the Services, (b) replace the Services with substantially equivalent non-infringing services; (c) modify the Services so they become non-infringing but substantially equivalent; or (d) if none of the above options are reasonably available, then refund to BUYER a pro-rata portion of the purchase price for the Services.

13. PROPRIETARY INFORMATION

In order to deliver the most effective and efficient Services possible and meet BUYER's requirements for those Services, BUYER and SELLER anticipate the need to exchange Proprietary Information (as defined below) to effect the Services, as applicable in connection with such Order and/or the Agreement. In recognition of the value of that Proprietary Information, the Parties agrees to the terms and conditions of this Section.

a. "Proprietary Information" shall mean all information, knowledge or data (including without limitation financial, business, and product strategy information; product specifications; product designs; procedures; studies; tests; and reports) in written, electronic, tangible, oral, visual or other form, (i) disclosed by, or obtained from, BUYER or SELLER or (ii) conceived, created, acquired, or first reduced to practice in connection with the Order. If BUYER furnishes sample products, equipment, or other objects or material to SELLER, the items so received shall be used and the information obtained from said items shall be treated as if they were Proprietary Information disclosed in connection with the Order.

b. Unless a Party receiving Proprietary Information (Receiving Party) has received the express written consent of the Party disclosing Proprietary Information (Disclosing Party), the Receiving Party shall (i) use the Proprietary Information solely for the purposes of the Order, and not for any other purpose (including, without limitation, designing, manufacturing, selling, servicing or repairing equipment for entities other than BUYER; providing services to entities other than BUYER; or obtaining any government or third party approvals to do any of the foregoing); (ii) safeguard the Proprietary Information to prevent its disclosure to or use by third parties; (iii) not disclose the Proprietary Information to any third party; and (iv) not reverse engineer, disassemble, or decompile the Proprietary Information.

c. Receiving Party may disclose the Proprietary Information to officers, directors, employees, contract workers, consultants, agents, affiliates or subcontractors of Receiving Party who have a need to know such Proprietary Information for the purposes of performing the Order and who are obligated under a written agreement to the Receiving Party to treat such information in a manner consistent with the terms of this Section.

d. This section shall not restrict the Receiving Party from using or disclosing any information that, as proven by written contemporaneous records kept in the ordinary course of business: (i) is or may hereafter be in the public domain through no improper act or omission of Receiving Party or a third party; (ii) is received by Receiving Party without restriction as to disclosure by Disclosing Party from a third party having a right to disclose it; (iii) was known to Receiving Party on a non-confidential basis prior to the disclosure by Disclosing Party; or (iv) was independently developed by employees of Receiving Party who did not have access to any of Disclosing Party's Proprietary Information.

e. If Proprietary Information is required to be disclosed pursuant to judicial process, Receiving Party shall promptly provide notice of such process to Disclosing Party (if legally permissible) and, upon request, shall fully cooperate with Disclosing Party in seeking a protective order or otherwise contesting such a disclosure. Disclosure of such requested Proprietary Information shall not be deemed a breach of the Order provided that the obligations of this Section are fulfilled by Receiving Party.

f. Each Party shall have the right to audit all pertinent documentation of the other, and to make reasonable inspection of the other's premises, in order to verify compliance with this Section.

g. Obligations in this Section regarding Proprietary Information shall continue for an additional thirty (30) years following the termination or expiration of the Agreement.

h. Unless required otherwise by law or the Order, Receiving Party shall promptly return, or otherwise dispose of Proprietary Information as Disclosing Party may direct in writing. Absent contrary instructions, each Party shall destroy all Proprietary Information of the other Party one (1) year after termination or expiration of this Agreement, and provide written confirmation of such destruction.

i. Receiving Party agrees that it will not remove any legend or marking with respect to confidentiality from any Proprietary Information.

j. Notwithstanding any proprietary or confidential labels or markings, the Order may be disclosed by either Party to a third party that has a need to access or know such information. Moreover, each Party may disclose all of the other Party's information, in accordance with applicable governmental regulations, to the FAA, the European Aviation Safety Agency (EASA), TCCA, any other governing international airworthiness certifying authority, and/or any other department or agency of the U.S. Government, including, without limitation, for the purpose of obtaining necessary government approvals.

k. For Proprietary Information exchanged in connection with the Order, the terms of this Section shall supersede any provisions regarding the protection of proprietary information in any other agreements between the Parties.

14. ACCESS TO FACILITIES, SYSTEMS, OR BUYER INFORMATION

These provisions apply whenever Supplier Personnel will be granted access to (i) Facilities; and/or (ii) Systems; provided, however, that BUYER may apply the provisions herein in the event Supplier Personnel is otherwise granted access to BUYER Information ("Access").

a. Supplier shall perform identity screenings, work authorization verifications and background checks on any and all Supplier Personnel seeking Access in order to identify persons or entities ineligible for such Access. In furtherance of this obligation, Supplier shall, in advance of any request or grant of such Access: 1) Verify the identity and requisite work authorization of Supplier Personnel requiring Access. BUYER or its Affiliates may further direct Supplier to use a designated service provider to verify authorization to work, U.S. person and/or citizenship status, at Supplier's sole cost and expense. 2) Except to the extent not permissible by applicable law, perform a background screen on Supplier Personnel using a company approved by BUYER evidencing that (i) Supplier Personnel do not have any criminal convictions, as reported in the result of a background screen, or (ii) if they do have criminal convictions, Supplier Personnel were hired only after an individualized assessment was conducted in accordance with all applicable laws and taking into consideration the nature and severity of the underlying offenses, the nature and scope of the Access to be granted, the specific jobs at issue, and the length of time since the convictions. 3) Supplier shall not seek Access for any Supplier Personnel ineligible for such Access based on the failure to meet the above criteria, and will notify BUYER immediately, in writing, if any of Supplier's Personnel with Access is no longer eligible.

b. Supplier agrees that BUYER shall have sole discretion as to whether Supplier is granted Access, and agrees that any Access privileges granted to Supplier will be defined by BUYER. BUYER reserves the right to impose additional requirements before granting Supplier Personnel Access, including, without limitation, with respect to export compliance, privacy, protection of BUYER Information, security clearance, applicable training, drug screening, credit check, technology control plans, intellectual property agreements and compliance with other site-specific policies and procedures.

c. Supplier is responsible for ensuring that any Supplier Personnel requiring Access meet such Access requirements and that Access privileges are limited to approved Supplier Personnel. Supplier shall immediately notify BUYER if, at any time during the performance of the Order, (i) any information related to Supplier Personnel is altered or rendered inaccurate for any reason, or (ii) the need for Access ceases for any of such Supplier Personnel having Access. The need to Access shall automatically cease for any Supplier employees who are terminated, transferred, or otherwise no longer employed by Supplier.

d. Supplier or Supplier Personnel's refusal or failure to meet BUYER's Access requirements at any time during the performance of the Order may result in BUYER's refusal to grant Supplier

Personnel Access, and Supplier agrees that BUYER shall have the right to deny, and, without notice, terminate Access by Supplier or any of Supplier Personnel in whole or in part. Inability of Supplier to comply with the requirements of this provision shall not excuse Supplier from performing the Agreement and/or Order and shall not constitute an "Excusable Delay" as set forth in the Section herein entitled "Force Majeure.

e. If Supplier is an individual, Supplier acknowledges that he/she is not an employee of BUYER or BUYER Affiliate and is not entitled to the rights and benefits of a BUYER or BUYER Affiliate employee including, but not limited to, participation in pension, savings, health care and other employee benefit plans and arrangements. If Supplier is a company or other entity, it acknowledges that Supplier Personnel are not BUYER or BUYER Affiliate employees and are not entitled to the rights and benefits of a BUYER or BUYER Affiliate employee including, but not limited to, participation in pension, savings, health care and other employee benefit plans and arrangements.

f. Supplier acknowledges and agrees that any breach of this Section may result in a violation of law for which BUYER, Supplier, and/or Supplier Personnel may be liable. At BUYER's request, in advance of any request or grant of Access and at any other time, Supplier will provide BUYER (i) written certification, in a form provided by BUYER, that the Access requirements have been met, and/or (ii) documentation to verify the methodology, process and results relied upon by Supplier to comply with the Access requirements. The current certification form is available at: http://www.utc.com/Suppliers/Pages/Terms-and-Conditions.aspx.

15. DATA PRIVACY

The following provisions under Section 15 and Section 16 apply whenever Supplier will have access to BUYER Personal Information; provided, however, if Supplier will only have access to Business Contact Information for the individuals involved in the purchase of the Services under this Agreement and/or Order, such provisions shall not apply.

a. Supplier shall:
    a. comply with all applicable Data Privacy Laws;
    b. only collect, access, use, or share BUYER Personal Information, or transfer BUYER Personal Information to authorized third parties, in performance of its obligations under the Agreement and/or Order, in conformance with BUYER's instructions, or to comply with legal obligations. Supplier will not make any secondary or other use (e.g., for the purpose of data mining) of BUYER Personal Information except (i) as expressly authorized in writing by BUYER in connection with BUYER's use of the Services, or (ii) as required by law;
    c. not share, transfer, disclose or provide access to BUYER Personal Information for any third party except to provide services under the Agreement and/or Order or as required by law.

b. If Supplier does share, transfer, disclose or provide access to BUYER Personal Information to a third party, it shall:
    a. be responsible for the acts and omissions of any subcontractor or other third party, that processes (within the meaning of the applicable Data Privacy Laws) BUYER Personal Information on Supplier's behalf in the same manner and to the same extent as it is responsible for its own acts and omissions with respect to such BUYER Personal Information;
    b. ensure such third party is bound by a written agreement that contains the same or equivalent obligations and protections as those set forth in this Section; and only share, transfer, disclose or provide access to a third party to the extent that such conduct is compliant with applicable law;
    c. take commercially reasonable steps to ensure the reliability of Supplier's Personnel who have access to the BUYER Personal Information and ensure that such access is on a need-to-know basis;

d. provide such information, assistance and cooperation as BUYER or BUYER's affiliates may reasonably require from time to time to establish Supplier's compliance with Data Privacy Laws;
e. provide BUYER with commercially reasonably assistance in (i) deleting the BUYER Personal Information upon request by the individual or legal representative; (ii) providing a privacy notice to individuals; and (iii) enabling individuals to opt-out; provide BUYER with the ability to purge Personal Information older than one year or such other time period agreed upon in writing by the Parties; and
f. immediately advise BUYER in writing if it receives or learns of any: (i) complaint or allegation indicating a violation of Data Privacy Laws regarding BUYER Personal Information; (ii) request from one or more individuals seeking to access, correct, or delete BUYER Personal Information; (iii) inquiry or complaint from one or more individuals relating to the collection, processing, use, or transfer of BUYER Personal Information; and (iv) any regulatory request for, subpoena, search warrant, or other legal, regulatory, administrative, or governmental process seeking BUYER Personal Information (collectively, "Data Privacy Matters"). If Supplier learns of any such complaint, request, allegation, or inquiry, Supplier shall provide assistance to BUYER, fully cooperate with BUYER in investigating the matter, including but not limited to, providing the relevant information to BUYER, preparing a response, implementing a remedy, and/or cooperating in the conduct of and defending against any claim, court or regulatory proceedings. BUYER shall be responsible for communicating with individuals regarding their BUYER Personal Information in connection with such Data Privacy Matters unless BUYER authorizes Supplier to do so on its behalf. Supplier shall use commercially and legally reasonable efforts to limit the nature and scope of the required disclosure to the minimum amount of BUYER Personal Information required to comply with applicable law. Unless prevented by applicable law, Supplier shall provide BUYER with advance written notice of any such Data Privacy Matters sufficient to allow BUYER to contest legal, regulatory, administrative, or other governmental processes.

c. Notice to Buyer: Supplier shall provide written notice to BUYER as soon as possible and, in no instance in more than 48 hours of any actual or reasonably suspected incident of accidental or unlawful destruction or accidental loss, alteration, unauthorized or accidental disclosure of or access to BUYER Personal Information of which it becomes aware (a "Security Breach"); thereafter shall take all reasonable measures to contain and remedy the Security Breach, wherever possible; provide BUYER with information regarding the investigation and remediation of the Security Breach, unless restricted by law; not make any notification, announcement or publish or otherwise authorize any broadcast of any notice or information about a Security Breach (a "Security Breach Notice") without the prior written consent of and prior written approval by BUYER of the content, media and timing of the Security Breach Notice (if any), unless required to do so by law or court order; and even where required to do so by law or court order, make all reasonable efforts to coordinate with BUYER prior to providing any Security Breach Notice. Where the Security Breach involves data elements that could lead to identity theft and is on the Supplier's networks or systems or is the fault of the Supplier, Supplier will, at the request of BUYER pay for the costs of remediation, notification (including, where reasonably necessary, a call center), and provide the affected individuals with credit monitoring or other commercially-reasonable identity theft mitigation service for one year or such longer period as required by law or a government regulator.
d. Prior Written Consent: Supplier shall obtain the prior written consent of any and all natural persons from whom Supplier collects BUYER Personal Information when required to do so by applicable Data Privacy Laws or as instructed by BUYER. In the event Supplier shall provide to BUYER personal information protected by Data Privacy Laws, Supplier shall ensure that such personal information is provided consistent with applicable law, including, where required, obtaining consent or providing notice.

e. Retention: All BUYER Personal Information acquired by Supplier shall be returned or destroyed (at the option of the applicable BUYER Affiliate), unless and to the extent that: (i) such BUYER Personal Information is required by Supplier to discharge its obligations hereunder or under applicable law; or (ii) return or destruction is prohibited by applicable law. Absent contrary instructions and except as prohibited by law, Supplier shall immediately destroy all BUYER Personal Information after termination or completion of the Order after waiting 30 days to allow BUYER to request return of BUYER Personal Information.

f. Controller Model Clauses: If this Agreement and/or Order involves the provision of Services where the Supplier will (i) act as a Controller (as that term is defined in the EU Directive) and (ii) transfer BUYER Personal Information from any country in the European Economic Area or Switzerland (collectively, "EEA/CH") to outside the EEA/CH, then the BUYER and Supplier agree that the terms of the Model Contract Clauses (also called the Standard Contractual Clauses) adopted by the European Commission in Decision 2004/915/EC (hereinafter the "Controller Model Clauses" or the "Model Clauses") are incorporated by reference as if set forth herein. If this Agreement and/or Order involves the cross-border transfer of BUYER Personal Information from any country in the EEA/CH to outside the EEA/CH but the Supplier will not act as a Controller, then the BUYER and Supplier agree that the terms of the Model Contract Clauses (also called the Standard Contractual Clauses) adopted by the European Commission in Decision 2010/87/EU (hereinafter the "Processor Model Clauses" or the "Model Clauses") are incorporated by reference as if set forth herein.

    a. Notwithstanding the foregoing, BUYER and Supplier agree that:

        i. The Model Clauses may be reformatted as a stand-alone document with the signatures to this Agreement and/or Order or the parties will execute the Model Clauses as a separate stand-alone document. The stand-alone Model Clauses may be filed with regulators and/or used for any other legally permissible purpose and have the effect as if signed directly;

        ii. If either party seeks to register the Model Clauses with a regulator and the regulator rejects the registration, the parties shall work together to modify the exhibits to the Model Clauses to address the regulator's requirements;

        iii. If any of the terms of the Model Clauses conflict with any terms of this Agreement and/or Order, the Model Clauses shall prevail; and

        iv. If Supplier engages any subcontractors that will access BUYER Personal Information covered by the Model Clauses, the Supplier shall ensure that transfers to the subcontractor comply with the Model Clauses.

16. COMPLIANCE COVENANTS

Supplier has not offered or given and shall not offer or give anything of value (in the form of entertainment, gifts, gratuities or otherwise) to BUYER's employees or representatives for the purpose of obtaining the Order or favorable treatment under the Order. Any breach of this warranty shall be a material breach of this Agreement.

Supplier represents and warrants that it has not made, nor will it make, or offer to make any political contributions, or pay, or offer to pay any fees or commissions in connection with these Terms and Conditions, the Agreement or any Order.

Supplier hereby further agrees that: Supplier shall avoid and refrain from all activities that would place Supplier in a position where Supplier could obtain, or appear to obtain, an unfair competitive advantage; Neither Supplier nor, where applicable, any individuals used by the Supplier in the performance of the Services hereunder, is subject to post-employment or similar "revolving door" restrictions imposed under rules established by any government, including the U.S. Government, that might prohibit or impact the effective performance of the Services for or on behalf of BUYER; and If Supplier is required to register with a federal, state or local authority due to Supplier's status under any such law (e.g. – lobbyist status, broker status, any registration required by the Foreign Agents Registration Act), Supplier shall provide a copy of the registration and any report submitted to the authority related to the Services to BUYER.

17. DISASTER RECOVERY

As reasonably directed by BUYER, Supplier shall develop and maintain a Disaster Recovery Plan acceptable to BUYER for the recovery and continuation of business related to the supply, design, development, certification, use and/or support of the Services furnished hereunder, in the event of a disaster or emergency. The Disaster Recovery Plan shall, among other things, prevent or limit the interruption of the Services in conformity with the requirements set forth herein. Supplier shall furnish a copy of Disaster Recovery Plan to BUYER upon request.

18. SUBCONTRACTING

BUYER does not anticipate that Supplier will subcontract any portion of this Agreement. Supplier must receive written consent from BUYER prior to subcontracting any portion of this Agreement. Upon BUYER written approval granting the Supplier the ability to subcontract and in the event the Supplier subcontracts any portion of its obligation identified in this Agreement, Supplier's subcontracted effort is in no way exempt from the provisions of this Agreement. The Supplier shall include in subcontractor agreements all necessary elements to ensure complete conformance with these requirements. All subtier suppliers must be OEM approved and on the BUYER's customer's Aftermarket Quality List as an approved Supplier.

The Supplier shall be solely responsible for the performance and quality of the total requirements for items that are subcontracted.

19. ASSIGNMENT AND SETOFF

Subcontractor shall not assign the Subcontract or any rights, claims or obligations under the Subcontract without the prior written consent of AAR. Subcontractor agrees that any attempted assignment without the prior written consent of AAR shall be void.

20. SURVIVAL

All rights, obligations, and duties hereunder, which by their nature or by their express terms extend beyond the expiration or termination of this Agreement or any Order, including but not limited to warranties, indemnifications, intellectual property (including rights to and protection of Intellectual Property and Proprietary Information), and product support obligations shall survive the expiration or termination of this Agreement or any Order.

21. NO WAIVER

No failure of any Party to exercise any right under, or to require compliance with, the Agreement or Order, or knowledge of past performance at variance with the Agreement or Order, shall constitute a waiver by such Party of its rights hereunder. No concession, latitude or waiver allowed by either Party to the other at any time shall be deemed a concession, latitude or waiver with respect to any rights unless and only to the extent expressly stated in writing, nor shall it prevent such Party from enforcing any rights in the future under similar circumstances.

22. PAYMENT

a. Invoice Requirements: Subcontractor shall submit invoices to AAR in accordance with the terms of the Subcontract, and such invoices shall contain at least the following information: Subcontract or Purchase order number, Product/part number, description of Products or Services, sizes, quantities, unit of measure, unit prices and extended totals, applicable currency, condition, and supporting documentation for the amount invoiced. Seller shall provide additional invoice detail and support as may be reasonably requested from time-to-time to ensure the invoice is properly payable. AAR will pay invoices properly submitted hereunder within sixty (60) days after receipt of an acceptable invoice. If AAR's Prime Contract is subject to FAR 52.232-40, AAR will make payment to small business vendors within thirty (30) days after receipt of an acceptable invoice. Payment by AAR shall be deemed to have been made on the date AAR deposited the payment in the U.S. mail or with another recognized commercial carrier, or the date AAR made the electronic funds payment.

b. Adjustments: AAR may make any adjustment or withhold any payment reasonably appropriate in Subcontractor's invoices due to shortages, late delivery, rejections or other failure to comply with the requirements of the Subcontract. Cash discounts, if applicable, will be taken from date of receipt of invoice for material received. Payment does not constitute final acceptance.

c. Price: The price set forth in the Subcontract covers all Products or Services ordered by AAR. The aggregate of the payments and reimbursements due the Subcontractor by AAR shall not exceed the price for Subcontractor's Products or Services in the Subcontract and Subcontractor is not authorized to exceed nor is AAR obligated to pay Subcontractor any amount exceeding the price of the Products or Services stated in the Subcontract. Any increase in the price for the Products or Services shall be made by a change order in accordance with the Changes clause contained herein.

d. Certificate of Compliance: If so specified in the Subcontract, the Subcontractor shall furnish a signed Certificate of Compliance to the requirements of the Subcontract with each shipment made to AAR; to substantiate the Certificate of Compliance; the Subcontractor shall maintain inspection or test records which AAR or an AAR representative may audit from time to time.

23. ENTRY ONTO BUYER'S PREMISES

Supplier acknowledges that entry onto BUYER's premises is at Supplier's own risk. Supplier will ensure that its Personnel are aware that they enter onto BUYER's premises at their own risk.
Lien Waivers. Supplier shall make prompt and timely payment of any debts or liabilities incurred by Supplier in connection with this Agreement. Supplier at its sole cost shall obtain the prompt release of any mechanic's or materialmen's lien or any similar lien or claim fixed against BUYER or its assets. The final payment owed to Supplier by BUYER under the terms of this Agreement shall be contingent on full release of any outstanding liens.

24. QUALIFICATION

The BUYER's requirements for Services may necessitate Supplier's qualification to selected process, systems or functional requirements. In the event that Supplier is not presently qualified, or qualification is suspended or revoked, Supplier shall provide appropriate qualification test plans and subsequent reports as required by BUYER. Such plans shall be subject to BUYER's approval. BUYER's approval of Supplier's test and qualification plan(s) is intended to provide confidence in Supplier's ability to qualify specific services and does not constitute an opinion or warranty that Supplier's plans will be successful or compliant to specifications or other requirements. Supplier shall bear all costs for such qualification, including first article units if required. Production orders shall be built in parallel to qualification at the risk of Supplier, if such pre-qualification production is required to meet BUYER's required delivery dates.

25. INDEMNIFICATION

Supplier shall defend, indemnify and hold harmless BUYER, Pratt & Whitney, and its and their subsidiaries, and their directors, officers, employees and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards and damages of any kind and nature whatsoever for property damage, personal injury or death (including without limitation injury to or death of employees of Supplier or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this Agreement, the performance thereof by Supplier or any subcontractor thereof or other third parties, including, without limitation, the provision of Services, personnel, facilities, equipment, support, supervision or review. The foregoing indemnity shall apply only to the extent of the negligence or willful misconduct of Supplier, any subcontractor thereof or their respective employees. In no event shall Supplier's obligations hereunder be limited to the extent of any insurance available to or provided by Supplier or any subcontractor thereof. Supplier expressly waives any immunity under industrial insurance, whether arising out of statute or other source, to the extent of the indemnity set forth in this paragraph.

26. CONFIDENTIALITY

Confidentiality Obligations. The Parties agree to hold each other's Confidential Information in confidence. The Parties agree, unless required by a lawful court order, subpoena, or similar legal request, not to make each other's Confidential Information available in any form to any third party or to use each other's Confidential Information for any purpose other than the implementation of this Agreement. Each Party agrees to take all reasonable steps to ensure that Confidential Information is not disclosed or distributed by its Personnel in violation of the terms of this Agreement. If a Party is required to disclose the other Party's Confidential Information by a lawful court order, subpoena, or similar legal request, the Party shall promptly notify the other Party in writing of such requirement so that the other Party may seek an

appropriate protective order. Each Party acknowledges that failure to comply with this Section may irreparably harm the business of the other party, and that a breach of one Party's obligations under this Section 9 shall entitle the other Party to seek immediate injunctive relief, in addition to any other remedies that it may have.

a. Exceptions. Confidential Information shall not include, and the Parties shall have no obligation to keep confidential, information that: (i) is or becomes a part of the public domain through no act or omission of the receiving Party; (ii) was in the receiving Party's lawful possession prior to the disclosure, as evidenced by prior documentation, and had not been obtained by the receiving Party either directly or indirectly from the disclosing Party; (iii) is lawfully disclosed to the receiving Party by a third party who is rightfully in possession of such information and is under no duty of confidentiality with respect to such information; or (iv) is independently developed by the receiving Party without reference to or reliance upon the disclosing Party's Confidential Information.

27. SECURITY FOR UTC INFORMATION STORED BY SUPPLIER

The following provisions are applicable whenever the Supplier will store UTC Information.

a. In addition to capitalized terms used herein but defined elsewhere in the Agreement and/or Order, the following terms shall have the following meanings:
   i. "Security Issues" means (a) any situation, threat, vulnerability, act or omission posing a risk of giving rise to a Security Incident, or (b) any breach of Supplier's representations or covenants in this Agreement and/or Order regarding safeguarding of UTC Information.
   ii. "Security Incident" means (a) any circumstance that involves, or which a party reasonably believes may involve, (i) the accidental or unauthorized access, use, disclosure, modification, storage, destruction or loss of UTC Information in Supplier's or Supplier Personnel's possession, custody or control; (ii) interference with system operation in an information system or in any medium or format, including paper (hard) copy documents that subjects UTC Information to risk of unauthorized access, use, disclosure, modification, storage, destruction or loss; or (b) any other similar incident as may be so defined by any Data Privacy Law and by any laws and regulations (national, federal, state and provincial) relating to the protection of UTC Information.

b. Supplier will use commercially reasonable efforts to establish, maintain and comply with administrative, technical and physical safeguards that are designed to (a) protect the security, availability and integrity of Supplier's network, systems and operations, the Services and the UTC Information; (b) guard against Security Issues; and (c) satisfy the requirements for certification under ISO 27001. Supplier will develop, implement and maintain a written security program, reasonably acceptable to BUYER that includes appropriate administrative, technical, organizational and physical safeguards, security awareness and security measures designed to protect UTC Information from unauthorized access and use.

c. Supplier agrees to install and implement security hardware, software, procedures and policies that will provide effective information security and are acceptable to BUYER. Supplier agrees to monitor and update such hardware, software, procedures and policies to utilize improved technology and to respond to developing security threats in order to maintain a level of security protection, preparedness and resilience appropriate for the information involved and the then current state of security solutions. Upon request, Supplier shall provide BUYER with any reports or results of any internal audit related to IT security performed by or on behalf of Supplier during the term of the Agreement and/or Order or any audit reports issued, including but not limited to, under the SSAE 16 report or ISAE 3402.

d. Supplier further agrees to:
   i. Only collect, access, use, or share UTC Information, or transfer UTC Information to authorized third parties, in performance of its obligations under the Agreement and/or Order, in conformance with this Agreement, or to comply with legal obligations. Supplier will not make any secondary or other use (e.g., for the purpose of data mining)

of UTC Information except (a) as expressly authorized in writing by BUYER in connection with BUYER's purchase of Services hereunder, or (b) as required by law.

ii. Maintain and implement information security policies which address, at a minimum the following domains: information security policy, organization of information security, asset management, human resourced security, physical and environmental security, communications and operations management, access control, information systems acquisition, development and maintenance, information security incident management, business continuity management, regulatory compliance, and provide BUYER with an index or similar summary of its policies sufficient to evidence to BUYER's reasonable satisfaction that each domain is addressed in a manner consistent with this Section. Supplier shall provide BUYER with an updated index or summary, upon BUYER's request, and indicate any plans, including a timetable for implementation, of planned upgrades to comply with the policy. Supplier shall implement those reasonable requests for modification of such policy requested by BUYER.

iii. Allow BUYER or its designee to conduct a security audit at its facilities on one day's notice, and allow BUYER at any time to conduct (or have conducted) a network audit. If the UTC Information is stored in a shared environment per the agreement of BUYER, then BUYER shall use a third party to conduct such audits. The audits shall include any facilities with UTC Information including backup storage facilities.

iv. Segregate all UTC Information into a separate database only accessible by BUYER, and its agents and those employees and agents of Supplier that require access to perform the Services or to maintain the equipment and the program on which it runs, unless otherwise agreed by BUYER. Logical segregation of data, if approved by BUYER, may be an acceptable alternative to this requirement. Supplier shall use reasonable efforts, as measured by the available technology at the time, to prevent anyone other than its authorized employees and BUYER and its agents from accessing the UTC Information.

v. Assure that all UTC Information and applicable software is appropriately backed up and recoverable in the event of a disaster or emergency, and that Supplier's disaster recovery plan (as may be otherwise required herein) shall incorporate such requirements.

e. Encryption Requirements. Supplier will use, and will cause Supplier Personnel to use, appropriate forms of encryption or other secure technologies at all times in connection with the Processing of UTC Information, including in connection with any transfer, communication, remote access or storage (including back-up storage) of UTC Information, as authorized or permitted under the Agreement and/or Order. Notwithstanding any provision to the contrary herein, BUYER Personal Information shall not be stored on any Supplier mobile computing devices (e.g. laptop computers, PDAs (personal digital assistants), etc.)

f. Termination Plan: Supplies agrees to provide BUYER, at the time of signing this Agreement and/or Order, with a termination plan that addresses how UTC Information will be returned to BUYER at the end of this Agreement and/or Order, including backup and archival information, and how all UTC Information will be permanently removed from Supplier's equipment and facilities. This plan should include supplying the data to BUYER in an industry recognized nonproprietary database and, if not, a license to use the proprietary database software to access the data.

g. Supplier further agrees to provide information to and fully cooperate with BUYER in response to any subpoena, investigation or the like seeking UTC Information and provide information and assistance for BUYER to seek certification and the like relative to its information including information in the possession of Supplier. Supplier shall promptly notify BUYER upon the receipt of any request requiring that UTC Information be supplied to a third party.

h. When requested by BUYER, Supplier agrees to comply, within a reasonable period of time, with UTC Information security policies as provided to Supplier by BUYER.

i. Supplier shall not provide UTC Information to any other entity without the prior written approval of BUYER. A request for BUYER approval shall include agreement by Supplier, and such other

entity, that (i) all of the requirements of this provision are applicable to their performance and (ii) BUYER shall have the right to perform the audits described above.

j. Supplier will provide to BUYER immediate written notice of (i) any failure to meet the then current standards for information security, and (ii) any and all reasonably suspected and/or confirmed Security Issues. Such notice will summarize in reasonable detail the impact on BUYER or any individuals affected by such Security Issue and the corrective action and remediation efforts taken or proposed to be taken by Supplier. Immediately following any Security Issue or any other failure to meet information security standards, whether identified by Supplier or BUYER, Supplier will take steps to mitigate risks posed, consult in good faith with BUYER regarding remediation efforts, and undertake a remediation plan which BUYER determines in its sole but reasonable discretion, to be necessary, reasonable or appropriate under the circumstances commensurate with the nature of the Security Issue or failure, or as requested by any government body. Supplier will be solely responsible for all costs and expenses, including, without limitation, the reasonable costs of re-testing performed to verify that any Security Issue has been remediated. Failure to remedy the risks of a Security Issue or failure within the time frame and manner specified by BUYER is deemed a material breach of this Agreement.

28. INTERNATIONAL TRADE COMPLIANCE

Compliance with International Trade Compliance ("ITC") Laws. Supplier shall comply with all ITC Laws. Supplier represents that it maintains an effective export/import control compliance program in accordance with all applicable Trade Control Laws. A copy of process control documents and other documents reasonably requested by BUYER related to Supplier's compliance with applicable Trade Control Laws shall be made available to BUYER upon written request.

a. "ITC Laws" mean the import, customs, export control, sanctions and U.S. anti- boycott laws, regulations, and orders applicable at the time of the import, export, re-export, transfer, disclosure, or provision of Technical Data, goods or Services including, without limitation, the (i) Export Administration Regulations ("EAR") administered by the Bureau of Industry and Security, U.S. Department of Commerce, 15 Code of Federal Regulations (C.F.R.) Parts 730-774; (ii) International Traffic in Arms Regulations (the "ITAR") administered by the Directorate of Defense Trade Controls, U.S. Department of State, 22 C.F.R. Parts 120-130; (iii) Foreign Assets Control Regulations and associated Executive Orders administered by the Office of Foreign Assets Control, U.S. Department of the Treasury, 31 C.F.R. Parts 500-598; (iv) Internal Revenue Code, 26 U.S.C. § 999, enforced by the U.S. Department of Treasury; (v) International Emergency Economic Powers Act ("IEEPA"), 50 U.S.C., § 1701 et. Seq.; (vi) Customs regulations administered by U.S. Customs and Border Protection, 19 United States Code (U.S.C.) and Title 19 C.F.R.; and (vii) applicable import, customs and export laws and regulations of other countries, except to the extent they are inconsistent with the U.S. laws.

b. Denied Party Screening: Supplier shall perform denied party screening on its employees and other parties (including sub-tier suppliers) whom Supplier engages or solicits to engage to perform production activities or Services under this Agreement. This requirement is intended to ensure that Supplier identifies any person or entity, whom Supplier engages or solicits to perform production activities or Services under this Agreement, that is ineligible to perform such activities or Services because of any embargo, sanction, debarment or denied party designation. In furtherance of this obligation, Supplier shall:

    i. not engage any Specially Designated National ("SDN"), as determined by the U.S. Office of Foreign Assets Control ("OFAC"), to perform production activities or Services under this Agreement; and

    ii. not engage any person or entity to perform production activities or Services under this Agreement when:

        i. such person or entity is identified as a denied party pursuant to any embargo, sanction, debarment or denied party designation maintained by the U.S. government or any non-U.S. government or union of states (e.g., European Union); and

ii. the reason(s) for such embargo, sanction, debarment or denied party designation apply to the production activities or Services subject to this Agreement;
iii. except where such embargo, sanction, debarment or denied party designation conflicts with the anti-boycott laws of the United States.

iii. Supplier shall notify BUYER immediately, in writing, if any of Supplier's employees or sub-tier suppliers who have been designated as an SDN, debarred, sanctioned or designated as a denied party and have performed production activities or Services under this Agreement.

iv. Supplier shall conduct periodic re-screening on all entities described above on no less than a quarterly basis. Supplier shall maintain records of its performance of denied party screening for a period of five-years following completion of screening and make such records available to BUYER upon request. Supplier shall incorporate this provision in all subcontracts with its suppliers or independent contractors with whom Supplier engages or employs, or intends to engage or employ, to perform production activities or Services under this Agreement.

c. Export Licensing Responsibility. If this Agreement requires either Party to obtain government-approved export authorization to facilitate activities and obligations set forth under this Agreement, the Parties shall mutually exercise reasonable efforts to support the preparation and management of the authorization in full compliance with applicable government regulations. The Parties shall without delay respond to requests for supporting documentation, including clarifying questionnaires or any other requested information necessary to secure government authorization. Each Party, as applicable, shall be individually responsible for obtaining required documentation or other information from any third party required by such Party to perform its obligations under this Agreement. Failure to obtain any required documentation or information from a third party shall result in the third party's exclusion from the government authorization. The Parties shall exchange copies of all government export authorizations related to the Technical Data, or Services, and all provisions or conditions or information relating to the authorization, including but not limited to, any restriction on sublicensing, retransfer, resale or re-export, any requirement for non-disclosure agreements, and any limitation on individuals having access to Technical Data, or Services. Each Party, as applicable, shall be individually responsible for compliance with all government export authorizations, including without limitation ensuring that all export-related paperwork and documentation (e.g., Destination Control Statements, Electronic Export Information filed via Automated Export System) are properly completed and timely filed.

d. Export and Import Classification: Where known, or where Supplier is the design authority for the Technical Data or Services that are subject to this Agreement, Supplier shall provide BUYER with (i) the applicable Harmonized Tariff Schedule Number, (ii) either (a) the United States Munitions List ("USML") category of such Technical Data or Services that are controlled by the ITAR, or (b) the Export Control Classification Number ("ECCN") of such Technical Data or Services that are controlled by the EAR, including the ECCN of components comprising the Technical Data and/or Services if such classification differs from the ECCN of the Technical Data and/or Services, and (iii) any analogous classification under any other applicable law. Upon request, Supplier shall provide BUYER annually with its DDTC registration expiration date.

e. Brokering: Supplier acknowledges that it shall not engage in brokering activity as that term is defined in 22 C.F.R. § 129.2 in conjunction with activity authorized pursuant to this Agreement.

f. Technical Data Transfer: Supplier shall not export, re-export, transfer, disclose or otherwise provide physical or electronic access to Technical Data to any person (including unauthorized third-party IT service providers) not authorized to receive Technical Data under existing ITC Laws and/or export authorization, or modify or divert such Technical Data to any military application or other end-use prohibited by applicable ITC Laws. Supplier shall develop and implement IT security procedures which ensure that Technical Data is accessible only by authorized persons. Any subcontracts for the provision of Technical Data, or the provision of Services shall contain all

the limitations of this Section and shall require compliance with all applicable export licenses or authorizations.

g. Destruction of Technical Data & Services: Upon completion of performance under the Order, and expiration of recordkeeping obligations under this Agreement, Supplier and its suppliers shall destroy or return to BUYER all Technical Data and all Services (i.e. related goods), as instructed by BUYER. With respect to Technical Data: (a) destruction applies to both physical and electronic copies of Technical Data, including archived copies, (b) destruction may include cross-cut shredding, burning or chemically reverting to pulp or other similar methods, which preclude use in full or partial form, and (c) electronic copies of Technical Data must be permanently deleted from all servers, systems and local devices.

h. Required Notices: Supplier shall promptly notify BUYER if it becomes aware of any failure by Supplier or its suppliers to comply with this ITC Section and shall cooperate fully and promptly with BUYER in any investigation of such failure to comply. Supplier shall also promptly inform BUYER of any name change, address change or change in ownership or control of Supplier.

i. Technology Control Plan: When the terms of this Agreement require access to or possession of Technical Data controlled under the ITAR or at an anti-terrorism level or higher under the EAR, or the equivalent level of controls under applicable and governing non-U.S. export regulations, Supplier shall create and follow a Technology Control Plan ("TCP") that, at a minimum, incorporates the following elements: (i) facility security; (ii) international trade compliance training program; (iii) information technology security; (iv) record keeping requirements; (v) denied party screening as defined in this Section; and (vi) personnel oversight (including without limitation, oversight of non-U.S. persons, dual third country nationals, employees, and visitor management). Supplier shall make a signed copy of the TCP available to BUYER within 30 days of request.

j. Security Programs: Supplier shall comply with all requirements of the border security programs of the destination country (e.g. Customs Trade Partnership Against Terrorism (C-TPAT), Authorised Economic Operator (AEO), Partners in Protection (PIP), etc.

k. Customs Brokers: With respect to pricing terms for any Order that includes Customs Brokerage Services, such Services shall be quoted and charged at a fixed sum. In no event shall an Order for Customs Brokerage Services provide or allow for contingent or success fees. For purposes of this Agreement, "Customs Brokerage Services", shall mean Services whose performance shall involve transactions with customs officials or other government agencies to import goods into a country on behalf of BUYER pursuant to this Agreement. Customs Brokerage Services shall include, but are not limited to, preparation and submission of documents; classification and valuation of goods, as specifically authorized by BUYER; payment of duties, taxes or other charges; and clearance of goods into the importing country in accordance with applicable government requirements.

l. Required Flowdown: Supplier shall incorporate into any contracts with its sub-tier suppliers obligations no less restrictive than those set forth in this Article requiring compliance with all applicable Trade Control Laws.

29. GOVERNING LAW AND JURISDICTION

This Agreement shall be interpreted in accordance with the plain English meaning of its terms and the construction thereof shall be governed by the laws in force in the State of New York, USA without regard to conflicts of law principles, except that Sections 5-1401 and 5-1402 of the New York General Obligations law will apply and except that the United Nations Convention on Contracts for the International Sale of Goods dated April 11, 1980, as amended to date, will not apply. Any action or claim relating to or arising out of the Order in the appropriate court in shall be brought in New York, and each Party hereby irrevocably consents to personal jurisdiction and venue in such court. If Supplier or any of its property is entitled to immunity from legal action on the grounds of sovereignty or otherwise, Supplier hereby waives and agrees not to plead such immunity in any legal action arising out of an Order or the Agreement. If Buyer and Supplier mutually agree to participate in alternative dispute resolution, the Parties agrees that all alternative dispute resolution proceedings shall take place in New York.

30. SEVERABILITY

In the event any one or more of the provisions of this Agreement shall, for any reason, be held to be invalid or unenforceable, the remaining provisions of this Agreement shall be unimpaired and the invalid or unenforceable provision shall be replaced by a mutually acceptable provision which, being valid and enforceable, comes closest to the intention of the BUYER and Supplier underlying the invalid or unenforceable provision.

31. WAIVER

Either Party's waiver of any breach, or failure to enforce any of the terms and conditions of this Agreement, at any time, shall not in any way affect, limit or waive such Party's right thereafter to enforce and compel strict compliance with every term and condition hereof.

32. RELATIONSHIP OF THE PARTIES

Supplier is an independent contractor and not an employee, agent or joint venture partner of BUYER. BUYER will not be responsible for or have control or charge over any of the acts or omissions of Supplier or its Personnel.

33. DELAYS

Whenever there is an actual material delay to the timely performance of the Order, Supplier shall promptly notify BUYER in writing of the probable length of any anticipated delay and mitigate the potential impact of any such delay.

34. CAPTIONS

The captions, headings, section numbers, and table of contents appearing in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

35. INTERPRETATION

This Agreement shall be construed as if drafted jointly by the parties and no provision in this Agreement shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

36. NO CONFLICTS

None of the provisions of this Agreement or the Order, nor a Party's performance hereof contravenes or is in conflict with any law, judgment, decree, order, or regulation of any governmental authority, or with any obligations owed to any other entity to which such Party are subject.