

**A J WALTER AVIATION LIMITED
 STANDARD TERMS AND CONDITIONS
 (AJW AS CUSTOMER OR PURCHASER)**

1. RECITALS:

AJW is in the business of, amongst other things; (i) Specialist in the supply, exchange, repair and lease of commercial aircraft spare parts, and (ii) Asset management and Logistics services. These Standard Terms govern the terms on which AJW agrees enter into any purchase or procurement agreement with the Supplier, and Supplier agrees to be exclusively bound by these Standard Terms and Conditions (the “**Standard Terms**”). These Standard Terms prevail over any standard terms and conditions referenced by Supplier in its invoice or other documentation. For the avoidance of doubt, acceptance by AJW of the Supplier’s invoice shall not constitute acceptance by AJW of any standard terms and conditions of the Supplier. If a conflict arises between any of the terms in the following documents the order of precedence shall be (i) any written agreement signed by both parties, including but not limited to a general terms agreement, as amended from time to time; (ii) any written terms on the face of the Order or Order; (iii) these Standard Terms.

2. DEFINITIONS

“Affiliates” means entities that control, are controlled by or are under the common control of a Party to this Agreement; “AJW” means A J Walter Aviation Limited; “Customer” means a customer of AJW; “Order” shall mean a purchase order or repair order raised using AJW’s purchase order or repair order form; “Part(s)” means any aircraft or engine parts Supplied by the Supplier to AJW or returned by Supplier to AJW following Repair under these Terms and Conditions; “Party” shall mean AJW on the one part and the Supplier on the other part (together the “Parties”); “Repair(s)” means any repair or overhaul completed by the Supplier pursuant to an Order; “Services” means any repair services or other services Supplied or to be Supplied by the Supplier to AJW pursuant to these Terms and Conditions; “Specifications” means the description of the Parts and or services agreed in writing or contained in or referred to in the Order; “Supplier” shall mean the party providing Parts and / Services; and “Supply” and “Supplied” shall include the supply of services and the sale, leasing or hiring of Parts, as the context so requires.

3. GENERAL

Any Order is an offer to the Supplier to enter into a contract on the terms stated in these Terms and Conditions. By delivering or agreeing to deliver the Parts or Services to AJW specified in an Order, the Supplier agrees to be exclusively bound by the terms and conditions contained in the Order and in these Standard Terms and Conditions which govern the purchase of Parts by AJW from the Supplier and the provision of Services by the Supplier to AJW. These Terms and Conditions may only be varied by a document signed by a director or other duly authorised officer of AJW and no other employee or agent has any authority to alter or qualify these Terms and Conditions in any way. If a conflict arises between any of the terms in the following documents the order of precedence shall be (i) any written agreement signed by both parties, including but not limited to a general terms agreement, a loan agreement or an exchange agreement, each as amended from time to time; (ii) any written terms on the face of the Order; (iii) these Terms and Conditions. Supplier hereby agrees, upon request by an AJW Affiliate, to supply Parts or Services to any AJW Affiliate in accordance with these Terms and Conditions. At AJW’s request, Supplier hereby agrees to provide or, in the event the Supplier is not the manufacturer/OEM of the Parts, Supplier shall arrange for the manufacturer to provide, notarised written evidence in the form requested by a Customer that AJW has been granted all the rights necessary to fulfil its obligations to the Customer in respect of the Parts including but not limited to the supply and support of the Parts.

4. ORDERS

- 4.1 The Supplier undertakes not to accept any Order without an Order reference number. AJW accepts no liability for any order, verbal or otherwise, unless subsequently confirmed by an official Order, authorised by AJW. AJW may place Orders for the Parts or Services by email, by fax or in any other mutually agreed way.
- 4.2 The Supplier shall Supply all Parts and Services in accordance with any delivery times/TAT specified by AJW in an Order. Time shall be of the essence and AJW may refuse to accept delivery of any Parts or Services not delivered within the specified time and cancel the Order. Supplier shall deliver in such volumes specified by AJW in an Order at no cost to AJW.
- 4.3 The Supplier shall accept all Orders within 24 hours by written confirmation indicating Order reference number, line item and confirmation of delivery times/TAT and where the Supplier fails to provide such confirmation or the conformation is not in the form required, the Order shall be deemed accepted after the 24 hours have elapsed. This confirmation, any future delivery notes and invoices shall be issued in the same form as the Order in particular, the line items on such correspondence shall correspond exactly with the Order including part numbers, descriptions and price. AJW reserves the right to amend or cancel Orders after acceptance by the Supplier or delivery to AJW. Subject to Clause 4.4 below, in the event of cancellation of any Order after acceptance by Supplier for reasons other than those stated in Clause 13 or Clause 4.4, Supplier shall be compensated by AJW of all appropriate and substantiated costs incurred by Supplier up to the date of cancellation, however, Supplier shall use its best efforts to mitigate the extent of such costs.
- 4.4 Notwithstanding Clause 4.3 above, in the event the Customer of AJW cancels its order with AJW for the Parts or any part thereof, AJW shall have the right to cancel its Order with the Supplier without further liability and require the Supplier to (i) immediately cease providing the Parts and services for AJW in respect of the Order, and (ii) make the necessary arrangements to collect any Parts or part thereof delivered by the Supplier from the site advised by AJW;
- 4.5 In respect of (i) Repair Orders Supplier shall not use any PMA material in any Repairs or DER/non CMM Repairs without obtaining prior authorization in writing from AJW and (ii) purchase Orders Supplier shall not supply a Part with PMA material or which has been the subject of a DER repair without prior written consent of AJW;
- 4.6 The Supplier shall plan, implement, and control processes, appropriate to the organisation and the Parts for the prevention of (i) counterfeit or suspect counterfeit Parts use and their inclusion in Parts delivered to AJW, and (ii) the release of unapproved and suspected unapproved Parts. Any costs or losses arising out of a failure to comply with above shall be the responsibility of the Supplier.
- 4.7 Supplier shall not charge any AOG fees to expedite Orders without prior written consent of AJW.

5. PAYMENT TERMS

- 5.1 Where a fixed purchase price is specified in the Order the price for the Parts shall be fixed and firm, and no form of surcharge or over and aboves shall be added or variation made. Where a purchase price is specified in the form ‘not to exceed \$x’, AJW shall not be liable to pay sums in excess of the amount specified. The Supplier shall be entitled to submit an invoice for the supply of Parts and/or Services as soon as delivery has been completed.
- 5.2 INVOICES in respect of Parts and Repairs, MUST BE SENT TO: payableinvoices@ajw-aviation.com and;
- 5.3 AJW PAYMENT TERMS ARE 60 days from date of Invoice.

6. TITLE AND RISK OF LOSS

Title to and risk of loss for any Parts Supplied shall remain with Supplier until the Parts are delivered to AJW DDP (Incoterms 2010) at its facility or at such other delivery location specified on the Order.

7. IMPORT AND EXPORT LICENCES AND COMPLIANCE

7.1 The Party to these Terms and Conditions who is the importer or exporter of record of the Part will be responsible for obtaining any licence, exchange permit or other required governmental authorisation relating to the shipment of the Part and shall be responsible for complying with all U.K. and foreign government licensing and reporting requirements in connection with an Order. The Supplier acknowledges that any export of Parts pursuant to these Terms and Conditions may be subject to U.S. Export Regulations (the “ER”) and agrees not to export any Parts pursuant to an Order in contravention of the ER and further agrees to indemnify AJW in respect of any losses incurred as a result of a breach of the ER.

8. INDEMNITY

The Supplier agrees, promptly upon AJW’s request, to indemnify and hold harmless AJW, its directors, Affiliates, officers, agents and employees (the “AJW Indemnitees”) in respect of all liabilities, costs, expenses, actions, proceedings, claims, damages, losses, fines, legal fees and other costs and expenses suffered or incurred by the AJW Indemnitees which arise out of or in connection with the Supplier’s performance or non-performance pursuant to an Order, save to the extent that such costs, expenses or losses result from the gross negligence or wilful misconduct of AJW.

9. INSURANCE

The Supplier shall maintain with reputable insurers (i) All Risks Spares insurance on Parts whilst the Parts are under the care, custody and control of Supplier or Supplier’s agents or subcontractors (including Supplier’s freight forwarders); and (ii) Aviation Product Liability Insurance appropriate to its operations and in accordance with best aviation industry practice and shall provide evidence of the insurance under paragraphs (i) and (ii) if requested by AJW.

10. PACKING, INSURANCE AND OTHER DOCUMENTATION REQUIREMENTS

10.1 All Parts dispatched by Supplier shall conform to the provisions of ATA-300 or other generally accepted packaging standards meeting the intentions of ATA-300.

10.2 The Supplier shall provide to AJW full dispatch details of any Part supplied to AJW or returned to AJW following repair (AWB Number, Flight Number and Date).

10.3 All Parts being returned to AJW following completion of a Repair, Any Part shall be sent to AJW shall be accompanied by an original FAA 8130-3, EASA F1, TCCA, CAAC, JCAB certificate, as applicable, or other equivalent original certification. In such cases, Supplier shall also provide AJW with a copy of the workshop report. After 1 January 2021 all UK based Part-145 repair stations that have applied for Third Country Organisation (TCO) approval shall release Parts with both EASA (single release) and CAA Form 1 (dual release if applicable) on two separate certificates.

10.4 In respect of all transactions for purchase of Parts pursuant to an Order, Supplier shall ensure that the Parts are accompanied by the following certification documents:

10.4.1 Part Identification tag containing: Part number; serial number; description; reason for removal; date of removal; registration of aircraft from which removed;

10.4.2 An original FAA 8130-3, EASA F1, TCCA, CAAC, JCAB certificate, as applicable, or other equivalent original certification.

10.4.3 Packaging slip;

10.4.4 ATA spec 106 material certificate issued by FAA Part 121/129/135 carrier or FAA/EASA 145 approved maintenance facility or nationally approved (by the CAA) a statement that:

- The Part was not procured from any US Government or military source;
- The Part was produced by the Original Equipment Manufacturer;
- The Part is non-incident related and has not been subjected to severe stress or heat or immersed in salt water;
- The Part is fully traceable to one of the following approved sources:
 - FAA Part 121, 129 or 135 certified carrier;
 - Original Equipment Manufacturer;
 - FAA/EASA 145 approved maintenance facility; or
 - Foreign air carrier approved by a recognised national aviation airworthiness authority.

10.4.5 Full records and traceability documents for time/cycle life limited parts.

10.4.6 Full “back to birth” traceability documents for ultimate time/cycle life limited parts.

11. LIABILITY

Neither party shall be liable to the other for any indirect, special or consequential loss or damage or any loss of actual or anticipated profit. AJW’s liability in contract, tort (including for breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance of these Standard Terms (including for any statutory interest payable) shall be limited to the value of the Order.

12. DISPUTE RESOLUTION, LAW AND JURISDICTION

All disputes arising out of or in connection with these Terms and Conditions or an Order shall, to the extent possible, be settled amicably by negotiation between the Chief Strategy Officer of AJW and the Chief Executive Officer, Chief Commercial Officer or Chief Operations Officer of the Supplier within thirty (30) days from the date of written notice by either party of the existence of such a dispute and, failing such amicable settlement, shall be finally resolved (i) if the Supplier is from a country which has ratified the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958) (the “New York Convention”), by arbitration under the London Court of International Arbitration Rules, which are deemed to be incorporated by reference into this Clause where the number of arbitrators shall be one, the language of the arbitration shall be English and the seat of arbitration shall be London, England; or (ii) if the country in which the Supplier is incorporated has not ratified the New York Convention, the dispute shall be subject to the exclusive jurisdiction of the English courts. Any Supplier incorporated outside the EU shall provide either a UK address for service of process or shall appoint a process agent in the UK as a condition precedent to being granted credit by AJW. Supplier shall notify AJW of such address on signature of these Standard Terms. This Agreement, and any dispute arising from it (including non-contractual disputes or claims) shall be interpreted in accordance with the laws of England and Wales.

13. TERMINATION

13.1 AJW shall be entitled at any time by notice in writing to cancel an Order or any part thereof without compensation to the Supplier, and/or claim reimbursement for all losses and expenses suffered in the event that the Supplier:

13.1.1 fails to Supply Parts or provide Services in accordance with the terms of the Order or these Terms and Conditions, including without limitation circumstances where the Supplier fails to deliver the Parts to AJW by the agreed delivery date;

13.1.2 fails to make progress with the Order so as to jeopardise the purpose of the Order;

13.1.3 provides Parts or Services which are non-conforming or defective or do not comply with the requirements listed in Clauses 10.2 and 10.3;

13.1.4 otherwise commits a material breach of these Terms and Conditions or of the terms of any Order which, in the case of a remediable breach, it does not remedy within five (5) days of receiving written notice requiring it to do so;

13.1.5 becomes insolvent, goes into receivership, is wound up or otherwise cease trading;

13.1.6 commits some act prejudicial to the interests of AJW; or

13.1.7 becomes subject to the control of a third party in a manner prejudicial to the interests of AJW.