

## STANDARD TERMS AND CONDITIONS OF SALE

These terms and conditions govern the sale of products ("Product or Products") by Aerospace Support International, as well as by third party vendors of Seller. These terms and conditions ("Agreement") take precedence over Buyer's additional or different terms and conditions to which notice of objection is hereby given. Acceptance by Buyer is limited to these terms and conditions. Neither Seller's commencement of performance nor delivery shall be deemed or construed as acceptance of Buyer's additional or different conditions. Buyer's acceptance of the Products shall be deemed to constitute acceptance of the terms and conditions contained herein.

1. **Orders:** All orders placed by Buyer are subject to acceptance by Seller. Orders may not be cancelled or rescheduled without Seller's written consent. All orders must include delivery dates, quantities and complete description of the Products being purchased. Seller may in its sole discretion allocate Products to its customers.
2. **Prices:** (a) The prices of the Products are those prices specified on the front of the invoice. Pricing for undelivered Products may be increased in the event of an increase in Seller's cost, change in market conditions or any other causes beyond the Seller's reasonable control. Price quotations, unless otherwise stated, shall automatically expire thirty (30) calendar days from the date issued and may be cancelled or amended within that period upon notice to Buyer, (b) Unless otherwise agreed to in writing by Seller, all prices quoted are exclusive of transportation and insurance costs, duties, and all taxes including local sales, excise and value added taxes, and similar taxes. Buyer agrees to pay these taxes unless Buyer has provided Seller with an exception resale certificate in the appropriate form for the jurisdiction of the Buyer's place of business and any jurisdiction to which the Product is to be directly shipped hereunder, or unless the sale is otherwise exempt from these taxes. Buyer agrees to indemnify and hold harmless Seller for any liability for tax in connection with the sale, as well as the collection or withholding thereof, including penalties and interest thereon. Where applicable, transportation and taxes shall appear as separate items on Seller's invoice.
3. **Payment:** (a) Standard terms of payment are net thirty (30) days from the date of invoice unless otherwise specified in writing by Seller. Seller may invoice each shipment separately and each shipment shall be considered a separate and individual contract. Buyer agrees to pay such invoice pursuant to its terms without the benefit of set off or deduction. (b) All late payments shall be charged interest computed on a daily basis from the due date until paid in full. Seller reserves the right to take all steps necessary and to impose interest (at the rate of one and a half percent (1.5%) per month or the maximum rate permitted by law, whichever is less) late charges or other payment terms as Seller may deem appropriate to collect full payment from the Products supplied in addition to seeking reimbursement for costs of collection (c) Transportation charges from Seller's facility to Buyer's facility shall be paid by Buyer to Seller, in addition to the purchase price of the Product, unless otherwise agreed in writing by Seller. Seller will select the carrier in the absence of specific instructions from Buyer. (d) Seller reserves the right to establish and or charge credit and payment terms extended to Buyer when, in Seller's sole opinion, Buyer's financial condition or previous payment record warrants that action. Further, on delinquent accounts, Seller shall not be obliged to continue performance under any agreement with Buyer. (e) Seller retains a security interest in the Products delivered to Buyer, and in their accessories, replacements, successions, proceeds and Products, including accounts receivable (collectively the "collateral") to secure payment of all amounts due under this Agreement. If Buyer fails to pay any such amount when due, Seller shall have the right to repossess and remove all or any part of the collateral from Buyer, but not from Buyer's customers. Any repossession or removal shall be without prejudice to any other remedy of Seller hereunder, at law or in equity. Buyer agrees from time to time to take any act and execute and deliver any document, including without limitation financing statements, reasonably requested by Seller to transfer create, perfect, preserve protect and enforce this Security Agreement.
4. **Delivery:** All deliveries will be made "Ex Works U.K. Warehouse". Delivery will be deemed complete and risk of loss or damage to the Products will pass to the Buyer upon delivery to the carrier. Buyer acknowledges that delivery dates provided by Seller are estimates only, and Seller shall not be liable for any delays in delivery or for failure to perform due to causes beyond the reasonable control of Seller, nor shall the carrier be deemed the agent of Seller. In the event of delay caused by such event, the date of delivery shall be extended for a period equal to the time lost as a consequence of the delay in delivery, without subjecting Seller to any liability. If the Products perish while in the custody of the carrier, the Seller shall be deemed to have performed its obligations hereunder in full.
5. **Acceptance/Returns:** Shipments will be deemed to have been accepted by Buyer upon receipt of said shipment at Buyer's facility. Buyer shall perform whatever inspection or tests Buyer deems necessary as promptly as possible, but in no event later than thirty (30) days after delivery, at which time Buyer must either accept or reject the Products. Any discrepancy in shipment quantity must be reported within 30 (30) business days of receipt of the Products. In the event of an over shipment, Buyer shall have the option to return the Products to Seller at Seller's expense or alternatively, Buyer may elect to retain the Products (subject to adjustment of the invoice price to account for additional items).

Any unit purchased from Aerospace Support International stock may be returned for credit, provided that it is returned sealed (in its original, unopened, undamaged packaging, with all documentation, just as it left Aerospace Support International), via appropriate shipping methods.

Any sealed unit returned will be subject to a twenty percent (20%) re-stocking fee.

For any unit returned more than forty-five (45) days from the date of purchase, acceptance and any return credit will be at Aerospace Support International's discretion and may incur up to a 100% re-stocking fee.

Special order units (units purchased by Aerospace Support International from a third party vendor for a specific customer) are generally not returnable, however, if such a unit is returned and accepted, Aerospace Support International reserves the option to invoice the customer for any re-stock fees charged by the third party vendor to Aerospace Support International, regardless of the return date.

If a unit is returned unsealed, any costs incurred in the recertification of that unit to the condition stated on the original invoice, plus any applicable re-stock fees, will be deducted from any refund or will be invoiced to the customer.

Recertification fees will apply to any unsealed units returned without regard as to whether the unit was actually installed or otherwise used.

6. **EXCHANGE POLICY**

Exchange prices are quoted on the basis that the customer will return cores of the same part number as invoiced, in normal repairable condition, in compliance with any application F.A.R's, and will include complete traceability data including aircraft registration, time on/off, cycles, etc. and will include a squawk and be signed by a certified technician or corporate officer.

If an acceptable core is not received within fifteen (15) days of date of invoice, the entire application core charge will be billed to the customers account.

If an acceptable core is received over thirty (30) days past date of invoice, the acceptance of the core will be at the sole discretion of Aerospace Support International.

Aerospace Support International reserves the option to reject any returned units that have been damaged from external causes such as fire, crash, submersion, cannibalization, inept repair, abnormal wear, etc.

If abnormal damage is found, either at the time of exchange or later during overhaul, the exchange price will not be applicable. Instead, the customer will be invoiced on a time and material basis for the abnormal work actually performed, plus the cost of the exchange unit.

If an exchange core is found to be Beyond Economical Repair, the customer will be invoiced for the core charge listed on the original invoice.

7. **Limited Warranty and Limitation of Liability:**

(a) Seller warrants that the Products will conform to the description and specifications issued by the manufacturer for a period of 6 month's from the date of purchase, or such shorter period specified by the manufacturer of the Product, and that Seller will transfer to Buyer any transferable warranties or indemnities that the manufacturer of the Product or the third party vendor/service provider provides to Seller. SELLER SHALL HAVE NO LIABILITY TO BUY BEYOND THE EXPRESS TERMS OF SUCH MANUFACTURER PRODUCT WARRANTIES. THIS WARRANTY IS MADE IN LIEU OF ANY AND ALL OTHER WARRANTIES EXPRESS OR IMPLIED INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS.

(b) Seller's exclusive obligations with respect to a non-conforming Product shall be at Seller's option, to repair or replace the Product, if it is determined to be defective, or to refund to Buyer the purchase price paid for the Product. Notwithstanding anything herein to the contrary, the liability of seller hereunder for all claims shall not exceed the sum of the Buyer's payments for the Products, which are the subject of the dispute, and the foregoing is Buyer's sole and exclusive remedy for breach of warranty by Seller with respect to the Product. THE FOREGOING WARRANTIES ARE THE SOLE WARRANTIES EXPRESSED OR IMPLIED, GIVEN BY SELLER IN CONNECTION WITH THE PRODUCTS, AND SELLER DISCLAIMS ALL OTHER WARRANTIES INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS AND WARRANTIES AGAINST LATENT DEFECTS.

(c) This warranty shall not apply to any Products that have been subject to misuse, mishandling or which have been operated contrary to current instructions relating to installation, maintenance or operation or contrary to industry standards relating to acceptable input power.

(d) Seller shall have no liability for any copyright, design or patent infringement, which may occur, as a result of a sale of the Products to the Buyer. The only remedy or recourse for copyright, design or patent infringement shall be against the manufacturer of the Products

(e) Aerospace Support International will, at its option, repair, replace, or refund the purchase price of goods found defective during the warranty period defined below.

(f) New or overhauled parts, except where otherwise noted, carry a (6) six month, three hundred (300) hour, or three hundred (300) cycle warranty, whichever occurs first from date of shipment.

(g) Repaired/serviceable parts carry a three (3) month, one hundred (100) hour, or one hundred (100) cycle warranty, whichever occurs first from date of shipment.

(h) For high-wear items, such as brakes and starter generators, the exclusive remedy for a warranty claim will be the repair of the defective unit.

(i) If any unit returned for claimed warranty is found to be functional with no defects, Aerospace Support International reserves the option to invoice the customer for any costs incurred in the recertification of that unit.

(j) In cases where Aerospace Support International has provided a warranty exchange unit, the warranty does not extend beyond the original warranty period. Refunds for time or cycle-limited units returned for credit on warranty claim will be pro-rated for actual utilization.

(k) Aerospace Support International reserves the right to deny warranty on any unit subjected to abuse, neglect, improper handling or use, damage or invasion of seals. Warranty repair at any non Aerospace Support International facility is not authorized under any circumstances.

(l) Aerospace Support International shall in no event be liable to customer, nor shall customer recover from Aerospace Support International, for injury to persons or damage to property or for any loss or damage due to down time or lost profits or any other loss (economic or otherwise) arising out of or in connection with the sale, delivery, assembly, disassembly, repair, use, installation or presence of products (any part thereof) sold or distributed by or through Aerospace Support International to customer, whether arising from any claim based upon contract, warranty, tort, products liability, strict liability, failure of essential purpose or any other legal or equitable theory, except in the case of and only to the extent of a willful and wrongful act or omission of Aerospace Support International, provided, however, in no event shall Aerospace Support International be liable to customer nor shall customer recover from Aerospace Support International for incidental, special, indirect or consequential damages, whether arising from contract, warranty, tort, products liability, strict liability, failure of essential purpose or any other legal or equitable theory, even if Aerospace Support International has been advised of the possibility thereof. Any action for an alleged breach of any contract of sale or of any warranties relating to any product(s) sold by Aerospace Support International to customer must be commenced by customer within one (1) year of the date on which such cause of action accrued.

(m) IN NO EVENT WILL SELLER (OR ITS SUPPLIERS) BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES WHATSOEVER INCLUDING, WITHOUT LIMITATION, THOSE RESULTING FROM ANTICIPATED OR LOST PROFITS, LOST DATA, BUSINESS INTERRUPTION, LOSS OF BUSINESS, LOSS OF MARKET SHARE, LOSS OF GOODWILL OR MANUFACTURING EXPENSES AND ANY OTHER LOSS OR LOSSES THAT MIGHT ARISE AS A DIRECT OR INDIRECT RESULT OF THE SALE OR USE OF THE PRODUCTS OR AS A RESULT OF SELLER'S NON PERFORMANCE OR INADEQUATE PERFORMANCE OF ITS OBLIGATIONS, WHETHER BASED ON WARRANTY, CONTRACT, TORT OR ANY OTHER LEGAL THEORY AND WHETHER OR NOT ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. **Export Control/Use of Products:** Buyer certifies that it will be the recipient of the Products to be delivered by Seller. Buyer acknowledges that the Products are subject to the export/import control laws and regulations of various countries, including the export administration laws of U.K. Buyer understands and agrees that it will not sell, resell, re-export or ship or otherwise divert, directly or indirectly, any of the Products delivered by Seller and further agrees to comply strictly with all U.K. export laws and assumes sole responsibility for obtaining licenses to export or re-export as may be required.
9. **Choice of Law, Venue and Attorney Fees:** This Agreement shall be governed and construed in accordance with the laws of the U.K. In the event either party brings suit to enforce any of the terms hereof, the prevailing party shall be entitled to a recovery of court costs and reasonable attorney fees.