

SHERWOOD AVIATION

Terms & Conditions of Sale

REV 12/04/2019

SUPERSEDES ALL PREVIOUS VERSIONS

INTRODUCTION These Terms and Conditions of Sale govern the sale of goods including without limitation, consumables, detail parts, end items, Line Replaceable Units (LRU's), Ground Support Equipment (GSE), tooling, test equipment, and components thereof (collectively referred to as "Goods") by Sherwood Aviation ("Seller"). Unless otherwise expressly agreed upon in writing by Seller, these Terms and Conditions of Sale take precedence over Buyer's supplemental or conflicting terms and conditions and will apply to all orders for Goods whether or not they are referenced in the Purchase Order or Contract ("Order").

ORDERS By issuance of an Order to Seller, Buyer agrees to these Terms and Conditions of Sale. Buyer's Order shall specify: [1] Order number; [2] Seller's part number including a general description of the Goods; [3] price (from a valid Seller quotation); [4] quantity; [5] requested delivery dates, which shall be no shorter than the quoted lead time; [6] location to which the Goods are to be shipped; [7] any special routing, packaging, labeling, handling or insurance requested by Buyer, if applicable; [8] location to which invoices will be sent for payment; [9] the end-user and aircraft application of the Goods ordered; and [10] flow-down of any prime contract requirements, where applicable. Orders are subject to Seller's minimum order requirements. Any terms and conditions of Orders will be of no force or effect to the extent they conflict are inconsistent with, or in addition to, these Terms and Conditions of Sale. Seller reserves the right to reject, and will have no liability for Orders which do not meet the requirements set forth in this section.

SPECIAL CONDITIONS FOR HONEYWELL PRODUCT Buyer understands and agrees to fully comply with the following Special Conditions for Honeywell Product: [1] Goods manufactured by Honeywell or a Honeywell Authorized Source (herein referred to as "Honeywell Product") may not, under any circumstances, be resold or supplied for end use in Japan; [2] For non-LRU Honeywell Product, Buyer affirms that Honeywell Product procured from Seller is not intended for use by any third-party repair provider unless the repair provider is authorized by Honeywell as a licensed service provider at the time of order. Any terms and conditions of Orders will be of no force or effect to the extent they conflict are inconsistent with, or in addition to, these Special Conditions. Provisions of these Special Conditions, that by their nature should continue in force beyond the completion or termination of an Order, will remain in force.

PRICES Prices for Goods will be priced based on the calendar year in which the Goods are delivered. Seller reserves the right to requote prices due to and without limitation, current availability, prior sale or consumption, updated supplier pricing, distribution agreements, and quantity variances. Prices are stated in U.S. currency.

DELIVERY Seller will make best effort to schedule delivery in accordance with Buyer's requested ship dates. By issuance of Order to Seller, Buyer understands delivery times quoted are Rough Order of Magnitude (ROM) and do not constitute a firm commitment by Seller. Seller reserves the right to assess an expedite fee for Orders requested to be shipped prior to Seller's quoted lead time. Delivery terms are EX Works (Incoterms 2010), Seller's designated facility. Unless otherwise agreed to in writing by Seller,

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Buyer will pay all transportation costs including without limitation, insurance, taxes, customs duties, licensing fees, special packaging, and claims to be filed with the carrier. Title and risk of loss or damage will pass to Buyer when Seller places Goods at Buyer's disposal at Seller's designated facility.

NON-CANCELLATION Once received and accepted by the Seller, Orders shall not be modified or cancelled without being mutually agreed upon by both parties. Seller approved modifications or cancellations may be subject to a minimum re-stocking fee of 25% of the original purchase amount. If the Buyer chooses to terminate the Order without the Seller's approval, the Seller reserves the right to collect funds up to the full original Order amount. Seller and Buyer shall make every reasonable effort to fully comply with the terms and conditions applicable at the time of Order.

PAYMENT TERMS Standard payment terms for established accounts are "Net 30" upon Seller review and approval. Approval of Net terms does not guarantee a solicited credit limit. First-time orders shall be payment in advance. Exceptions to these terms may be negotiated on case-by-case basis. Please contact the [Sherwood Aviation Accounting Department](#) for more information. If Buyer is delinquent in its payment obligations to Seller for any undisputed amount, Seller may, at its sole option and until any delinquent amounts and late charges are paid: [1] be relieved of its obligations with respect to any guarantees, including without limitation, pricing, delivery times and support; [2] refuse to process any credit to which Buyer may be entitled; [3] set off any credit or sum owed by Seller to Buyer against any undisputed amount owed by Buyer to Seller including, but not limited to amounts owed under any contract or order between the Parties; [4] withhold performance and future shipments to Buyer; [5] declare Buyer's performance in breach and terminate any Order; [6] repossess Goods for which payment has not been made; [7] process future orders on a cash-in-advance basis; [8] assess late charges on delinquent amounts at a rate up to the maximum rate permitted by law; [9] charge storage or carrying fees for Goods; [10] recover all costs of Services rendered including, without limitation, reasonable attorneys' fees. The above remedies are in addition to all other remedies available at law or in equity.

ACCEPTANCE OF GOODS Goods are presumed accepted by Buyer unless Seller receives express written notice from Buyer explaining the basis for rejection within ten (10) calendar days of shipment. Seller will have a reasonable opportunity to repair or replace rejected Goods, at its option. Buyer must disposition rejected Goods in accordance with Seller's written instructions. Unless otherwise agreed to in writing by Seller, Buyer assumes shipping costs for the return of any Goods. The party initiating shipment will bear the risk of loss or damage to Goods in transit. If Seller reasonably determines that rejection of Goods was improper, Buyer will be responsible for all expenses caused by the improper rejection. All returned Goods are subject to restocking fees.

WARRANTY Unless otherwise specified, Seller warrants that standard warranty for covered Goods in: [1] Factory New condition will be free from defects in workmanship and material for a period of the earlier of six (6) months from first use or twelve (12) months from date of shipment; [2] New or New Surplus condition will be warranted for thirty (30) days from date of shipment; [3] Repaired, Serviceable or Overhauled condition will be governed by the [standard service warranty terms](#) and will begin at the date

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of shipment. These warranties run to Buyer, its successors, designees, and customers. As Removed and/or As Is condition carry no warranty. Regardless of condition, Goods that are normally consumed in operation or which have an inherently short life, including, but not limited to, consumables (e.g., packings, gaskets, seals, flashtubes, lamps, batteries, storage capacitors, filters, membranes, sealants, paints) are not covered under warranty. Certain Goods are subject to warranties defined by the manufacturer to which the Seller warranty does not apply. Buyer must provide written notification of any nonconformance to Seller within the applicable warranty period and disposition the Goods in accordance with Seller's instructions within ten (10) calendar days. Seller's obligation and remedy under this warranty is repair or replacement, at Seller's election, of any approved nonconformance. All Goods repaired or replaced are warranted only for the unexpired portion of the original warranty period. Unless otherwise agreed to in writing by Seller, Buyer assumes shipping costs for the return of any Goods. The party initiating shipment bears the risk of loss or damage to Goods in transit. If Seller reasonably determines that a Nonconformance does not exist, then Buyer will pay all expenses related to the improper return. Seller will not be liable under this warranty if the Goods have been exposed or subjected to any [1] maintenance, repair, installation, handling, packaging, transportation, storage, operation or use that is improper or otherwise not in compliance with Seller's instruction; [2] alteration, modification or repair by anyone other than Seller or those specifically authorized by Seller; [3] accident, contamination, foreign object damage, misuse and abuse, or neglect after shipment to Buyer; [4] damage caused by failure of any hardware or software not supplied or approved by Seller; [5] use of counterfeit or replacement parts that are neither manufactured nor approved by Seller. Seller has no obligation under this warranty unless Buyer maintains records that accurately document operating time, maintenance performed and the nature of the unsatisfactory condition of Seller's Goods. Upon Seller's request, Buyer will give Seller access to these records for substantiating warranty claims. Seller shall not be liable, in any manner, for any incidental, indirect, special, consequential, exemplary, or punitive damages, loss of revenue or anticipated profits, loss of business, data or sales. No extension of this warranty will be binding upon Seller unless set forth in writing by Seller.

PROPRIETARY RIGHTS, NONDISCLOSURE AND NON-USE OF INFORMATION Unless otherwise expressly agreed to in writing by Seller, all specifications, information, data, drawings, software, know-how, and other items which are supplied to Buyer in any form, shall be considered privileged, confidential and proprietary and may not be copied, disclosed or distributed to any third party.

SOFTWARE LICENSE Licensed software means software, including all related updates, changes, revisions, data, and documentation, if any, that Buyer is entitled to use under the specific Order terms and which is not subject to a separate software license between the parties. Subject to Buyer's compliance with the terms of these Terms and Conditions of Sale or otherwise agreed to in writing by Seller, Seller grants to Buyer a nontransferable, nonexclusive license, without the right to sublicense, to use the licensed software in the specific operation of the Goods in which it is installed. Seller retains all title to the intellectual property related to all material and software provided under these Terms and Conditions of Sale. The licensed software may not be sublicensed, transferred or loaned to any other party without Seller's prior express written consent. Buyer is prohibited from making copies of licensed software. Buyer

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may not directly or indirectly make any effort to deconstruct the licensed software, including, but not limited to disassembling, reverse assembling, reverse engineering, creating derivative works or compilations, or performing any other operation to obtain any portion of its contents. Buyer will take all reasonable actions necessary to prevent unauthorized use or access of the licensed software.

EXPORT Buyer is responsible for compliance with all applicable import and export control laws and regulations. Buyer must obtain, at its sole expense, any necessary licenses or other approvals required for the import, export or re-export of Goods, technology, software, services, technical data and other items purchased, delivered or received from Seller. Buyer will retain documentation evidencing compliance with those laws and regulations. Buyer shall control the disclosure of and access to Goods, technology, software, services, technical data and other items received to any third party in accordance with all applicable import and export control laws and regulations. Buyer shall indemnify Seller for all liabilities, penalties, losses, damages, costs, or expenses that may be imposed on or incurred by Seller in connection with any violations of such laws and regulations by Buyer. Buyer shall immediately notify Seller if it is or becomes listed on any excluded or denied party list of any agency of the U.S. Government or its export privileges are denied, suspended, or revoked.

EXCUSABLE DELAY OR NONPERFORMANCE Except for payment obligations, neither party will be liable to the other for any failure to meet its obligations due to any Force Majeure event. Force Majeure is an event beyond the reasonable control of the non-performing party and may include without limitation: [1] fires, earthquakes, floods, tropical storms, hurricanes, tornadoes, severe weather conditions, or any other acts of God, [2] quarantines or regional medical crisis, [3] delays or refusals to grant an export license or the suspension or revocation thereof, [4] any other acts of any government that would limit a party's ability to perform under these terms, [5] shortages or inability to obtain materials, parts or components, [6] labor strikes or lockouts, and [7] riots, strife, insurrection, civil disobedience, landowner disturbances, armed conflict, terrorism or war, declared or not (or impending threat of any of the foregoing, if such threat might reasonably be expected to cause injury to people or property). If a force majeure event causes a delay, then the date of performance will be extended by the period of time deemed reasonably necessary for the non-performing party to recover, or for any other period as the parties may agree in writing.

TERMINATION Either party may terminate these Terms and Conditions of Sale and all unperformed Orders by giving written notice to the other party upon the occurrence of any of the following events: [1] Except as specified in the following, the other party materially breaches these terms and fails to remedy the breach within sixty (60) calendar days after receipt of written notice that specifies the grounds for the material breach; [2] The other party fails to make any payment required under the Order terms when due, and fails to remedy the breach within five (5) calendar days after receipt of written notice of non-payment; or [3] Any insolvency or suspension of the other party's operations or any filing or proceeding made by or against the other party under any state, federal, or other applicable law relating to bankruptcy, arrangement, reorganization, receivership, or assignment for the benefit of creditors or other similar proceedings. Termination does not affect any debt, claim, or cause of action accruing to either party

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against the other before the termination. The rights of termination provided in this clause are not exclusive of other remedies that either party may be entitled to under these Terms and Conditions of Sale or in law or equity.

DISPUTES Any dispute, claim, controversy, action, or cause of action arising out of or relating to the Order and these Terms and Conditions of Sale, including the breach, termination or validity thereof, after good faith negotiations, will be resolved by submitting the claim to a court of competent jurisdiction. The arbitration will be conducted in English in Miami-Dade County, Florida. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy under these Terms and Conditions of Sale, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the arbitrator's determination of the merits of the controversy.

LIMITATION OF LIABILITY Seller shall not be liable, in any manner, for any incidental, indirect, special, consequential, exemplary, or punitive damages, loss of revenue or anticipated profits, loss of business, data or sales. The aggregate liability of Seller for any claims arising out of or related to the Order or these Terms and Conditions of Sale are limited to direct damages not to exceed the amount paid for the specific Goods or service that gives rise to the claim. To the extent permitted by applicable law, these limitations and exclusions will apply regardless of whether liability arises from breach of contract, indemnity, warranty, tort, operation of law, or otherwise.

ENTIRE AGREEMENT The terms contained herein govern the agreement between Buyer and Seller with respect to an Order and supersede any prior applicable agreements, representations or other communications between Buyer and Seller. If any provision or portion of a provision of these Conditions of Sale is determined to be illegal, invalid, or unenforceable, the validity of the remaining provisions will not be affected.