



STANDARD TERMS AND CONDITIONS OF SALE

Unless otherwise agreed by Kellstrom Aerospace in writing, these Standard Terms and Conditions of Sale shall apply exclusively to all sales of parts by Kellstrom Aerospace and shall supersede any terms and conditions on Customer's forms. By issuing a purchase order, placing an order by telephone, requesting parts through any other document offered for sale by Kellstrom Aerospace or by accepting delivery of such parts, Customer hereby expressly agrees to the terms and conditions set forth below.

PAYMENT TERMS

Unless otherwise stated on the Invoice and signed by an authorized representative of Kellstrom Aerospace, payment terms are net thirty (30) days of Invoice and without deduction or setoff. Customer shall submit any Invoice dispute to Kellstrom Aerospace within thirty (30) days of the Invoice date or the Invoice will be deemed to be correct. Kellstrom Aerospace may require deposits or advance payment from Customer prior to shipment. Unless otherwise agreed to in writing, all payments shall be non-refundable. Customer shall pay to Kellstrom Aerospace an amount equal to all taxes paid, payable or required to be collected by Kellstrom Aerospace and shall pay all bank fees, wire transfer fees and other costs of money transfers.

Customer shall submit payment details to Kellstrom Aerospace to permit posting of the payment to the proper Invoices or purchase orders. In the absence of such payment advice, Kellstrom Aerospace may apply payments to any outstanding amount owed by Customer. Unless otherwise agreed by Kellstrom Aerospace in writing, payments must be made in the currency and to one of the bank accounts stated on the Invoice.

If payment is not made within thirty (30) days of its due date ("past-due"), interest shall accrue on any unpaid balance at the lesser of (i) 1.5% per month or (ii) the highest rate permitted by applicable law. Kellstrom Aerospace may at any time change or withdraw any credit terms previously extended to Customer. In the event that any payment shall become past-due, Kellstrom Aerospace may at its option and in addition to any other rights it may have, suspend further shipments of any and all parts until all such indebtedness has been fully paid. Kellstrom Aerospace shall retain a purchase money security interest in all parts sold to Customer until payment in full for all such parts is received by Kellstrom Aerospace, and Customer hereby agrees to promptly execute and deliver to Kellstrom Aerospace such further documents as Kellstrom Aerospace may request to perfect such security interest, including, without limitation, security agreements and financing statements to be filed with the Federal Aviation Administration (FAA).

ORDERING INFORMATION

All orders must be made or confirmed in writing or by electronic data interface and are subject to approval and confirmation upon receipt by Kellstrom Aerospace. Cancellation of orders may not be made without the written consent of Kellstrom Aerospace. Specially ordered materials may not be canceled without payment to Kellstrom Aerospace for all expenses involved, and such cancellation must be approved in writing by Kellstrom Aerospace. The minimum purchase order is US\$500.



DELIVERY; EXPORT; COMPLIANCE WITH LAWS

All parts purchased by Customer shall be delivered Ex Works (Incoterms 2010) the Kellstrom Aerospace facility unless otherwise indicated on the Invoice. The export or re-export of commodities, technology or software from the United States is controlled by United States law which prohibits 1) export to North Korea, Iran, Cuba, Syria or Sudan, or 2) to any other country or end user(s) to which shipments are prohibited unless otherwise authorized by the United States. Commodities, technology or software controlled by United States law must be exported in accordance with the Export Administration Regulations of the Department of Commerce. Should Customer decide to export any part purchased from Kellstrom Aerospace, Customer must verify the proper export classification of the parts and determine if an export license or exception is required by the Export Administration Regulations. Kellstrom Aerospace in no way accepts responsibility for assigning a classification to Customer's export shipments. Customer agrees to comply fully with the export control laws and regulations of the United States and acknowledges that diversion contrary to United States law is prohibited.

EXPRESS LIMITED WARRANTIES

To its initial Customer, Kellstrom Aerospace warrants good title and that the following parts will be free from defect in material or workmanship in accordance with the following warranty schedule based upon the condition code of the part:

- Factory New (FN) or New Surplus (NS): Remaining OEM warranty or thirty (30) days from date of sale, whichever is longer
- Overhauled (OH) or Serviceable (SV): Remaining repair facility warranty or thirty (30) days from date of sale, whichever is longer

To its initial Customer, Kellstrom Aerospace warrants good title and that the following parts can be repaired or overhauled in accordance with the following warranty schedule based upon the condition code of the part:

- Repairable (RP) or As Removed (AR): 30 days from date of sale and subject to a repair ceiling

Notes:

- Parts sold "As-Is" carry no warranty regardless of the condition code of the part and may not be returned.
- Any part sold for less than US\$700.00 is sold "As-Is" and may not be returned.

Kellstrom Aerospace' Express Limited Warranty does not apply to any part that Kellstrom Aerospace determines has been modified or subjected to misuse, neglect, improper installation, corrosion, or accident, or which has been maintained, repaired or stored other than as directed in the applicable maintenance, installation, operation or technical instructions. Kellstrom Aerospace' Express Limited Warranty does not cover normal maintenance expenses or consumable items, removal or installation of the part or resultant damage to other parts. Repair or replacement of any part under Kellstrom Aerospace' Express Limited Warranty will not create a new warranty period or extend the period of coverage, but any part repaired or replaced will be warranted for the remainder of the warranty period originally applicable to the part repaired or replaced.



DISCLAIMER OF IMPLIED WARRANTIES AND LIMITATION OF LIABILITY

KELLSTROM AEROSPACE' EXPRESS LIMITED WARRANTIES AND THE REMEDIES THEREUNDER ARE EXCLUSIVE AND GIVEN IN PLACE OF (a) ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, WHETHER WRITTEN OR ORAL, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR IMPLIED WARRANTY ARISING FROM PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE, AND (b) ALL OTHER OBLIGATIONS, LIABILITIES, RIGHTS, CLAIMS OR REMEDIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY RIGHTS OR REMEDIES IN CONTRACT, TORT, STRICT LIABILITY OR ARISING FROM KELLSTROM AEROSPACE' NEGLIGENCE, ACTUAL OR IMPUTED.

KELLSTROM AEROSPACE' OBLIGATIONS AND CUSTOMER'S REMEDIES UNDER KELLSTROM AEROSPACE' EXPRESS LIMITED WARRANTIES ARE LIMITED TO KELLSTROM AEROSPACE' CHOICE OF REFUND, REPAIR OR REPLACEMENT ON AN EXCHANGE BASIS AND SUBJECT TO PRORATION AND EXCLUDE LIABILITY FOR INCIDENTAL, SPECIAL, CONSEQUENTIAL OR ANY OTHER DAMAGES, INCLUDING WITHOUT LIMITATION, ANY LIABILITY OF CUSTOMER TO A THIRD-PARTY OR FOR ECONOMIC LOSS, REPLACEMENT COSTS, COST OF CAPITAL, LOST REVENUE, LOST PROFITS, OR LOSS OF USE OF OR DAMAGE TO AN AIRCRAFT, ENGINE, COMPONENT OR OTHER PROPERTY.

Notice: The terms of the Kellstrom Aerospace Express Limited Warranties allocate the risk of product failures between Customer and Kellstrom Aerospace as permitted by law. Kellstrom Aerospace' Express Limited Warranties give the Customer specific legal rights and Customer may also have other rights, which vary from jurisdiction to jurisdiction.

NOTICE OF CLAIMS; RETURNS

Immediately upon receipt of the parts purchased hereunder, Customer shall inspect same. Any claim, including, but not limited to claims for document deficiency, defect or shortage shall be made in writing to Kellstrom Aerospace at the address stated on the Invoice within thirty (30) days after Customer's receipt of the applicable parts. Failure to notify Kellstrom Aerospace in writing of a claim in the manner provided herein constitutes a waiver of the claim. No part may be returned to Kellstrom Aerospace without Kellstrom Aerospace' prior written consent, the issuance of a Return Material Authorization ("RMA") by Kellstrom Aerospace, and in accordance with instructions furnished by Kellstrom Aerospace, postage prepaid. ALL RETURN SHIPMENTS MUST BE IDENTIFIED BY THE APPLICABLE RMA NUMBER. All parts removed from service must be returned in "as removed" condition and parts failing bench check must be returned "as sold" without alteration or repair or any warranty is void. All returned parts must be accompanied by the original documentation. Any part returned will be subject to a 15% restocking fee, and as well as a recertification charge when applicable. Kellstrom Aerospace will not process or honor warranty claims on past-due accounts.

INDEMNIFICATION

By accepting the parts specified on an Invoice, Customer agrees to defend, protect and hold harmless Kellstrom Aerospace, its shareholders, officers, directors, employees, consultants, agents, successors, and assigns from and against all suits at law or in equity, and from all damages, liabilities, taxes, expenses (including reasonable attorneys fees and expenses) claims and demands related to the purchase of such parts, or Customer's violation of any Export Laws.



FORE MAJEURE

Kellstrom Aerospace shall be excused from liability for failure to deliver parts to Customer where such failure is due to an act of God, a public enemy, fires, earthquakes, floods, strikes, labor difficulties, transportation embargoes, domestic or international act of terrorism, or other similar causes beyond the control of Kellstrom Aerospace.

GOVERNING LAW, ASSIGNMENT, VENUE AND JURISDICTION

With respect to these Standard Terms and Conditions of Sale or the condition of parts sold by Kellstrom Aerospace, Customer agrees and consents: 1) that the obligations of the parties are deemed to be performed in Du Page County, Illinois; 2) that venue of any legal proceeding brought by the Customer shall be in Du Page County, Illinois; 3) to submit to the jurisdiction of the state or federal courts that are located in Du Page County, Illinois; 4) that the Secretary of State of Illinois is hereby made the Customer's agent for service of process; and 5) that any legal proceeding brought by the Customer shall be brought within one (1) year of any alleged breach.

LEGAL PROCEEDINGS AND CLAIMS

Customer agrees that, if Customer should file suit or commence legal proceedings against Kellstrom Aerospace arising out of or resulting from these Standard Terms and Conditions of Sale or the condition of parts sold by Kellstrom Aerospace, Customer will pay Kellstrom Aerospace its costs of defending such suit or legal proceeding, including a reasonable attorneys' fee, in the event that: (a) Kellstrom Aerospace prevails in the suit or legal proceeding; or (b) the value of the recovery awarded to the Customer is equal to or less than any settlement proposal made by Kellstrom Aerospace prior to the award made in the suit or legal proceeding.

These Standard Terms and Conditions of Sale shall be construed and interpreted by and in accordance with the laws of the State of Illinois, and whether or not any conflicts of law principle would refer the interpretation to the law of another jurisdiction. Customer and Kellstrom Aerospace agree that any dispute related to these Standard Terms and Conditions of Sale, to the condition of parts sold by Kellstrom Aerospace or to arbitrability shall, on the written request of the other party, be submitted to arbitration under the rules as Kellstrom Aerospace and Customer shall agree. If no agreement can be reached, the Commercial Arbitration Rules of the American Arbitration Association shall govern such arbitration which shall be held in DuPage County, Illinois.

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