

**STANDARD TERMS AND CONDITIONS OF PURCHASE OF COMPONENT REPAIR SERVICES
GE AVIATION MATERIALS, Inc. ('GEAM')
GEAM Control Number: CRS-M Revision 1 Issued 02/5/14**

PROPRIETARY INFORMATION NOTICE

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1. **TERMS AND CONDITIONS.** Either your company's written acknowledgement or your company's full or partial performance under this work order ('WO'), whichever occurs first, will constitute acceptance of all terms and conditions contained herein. Any acceptance of this WO is limited to acceptance of the express terms of the offer set forth in this WO. Any proposal for additional or different terms or any attempt by your company (sometimes referred to as 'Supplier') to vary in any degree any of the terms of this offer in Supplier's acceptance or acknowledgement is hereby objected to and rejected, but such proposal shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the Equipment (as defined below) but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by the Supplier without said additional or different terms. If this WO shall be deemed an acceptance of a prior offer by Supplier, such acceptance is limited to the express terms set forth in this WO.
2. **SCOPE.** Subject to the terms and conditions set forth herein and on the face of the WO to be issued by GEAM and accepted by your company, Supplier will perform, in accordance with the Standards of Service set forth in paragraph 3 below, overhaul or servicing of aircraft engine components, controls and accessories all as described on the face of each WO, which are delivered or scheduled to be delivered by GEAM to Supplier (altogether hereinafter referred to as the 'Equipment'). The term 'Service' or 'Services' mean those services which Supplier has agreed to perform herein, including all labor and materials used by Supplier in the performance thereof. No Designated Engineering Representative repairs are or will be authorized by GEAM. Any Memorandum of Understanding ('MOU') associated with the Services contemplated herein plus these terms and conditions, along with the terms set forth on the face of the WO shall comprise the agreement between the parties ('Agreement'). Supplier may not utilize outside subSuppliers in its performance of the Services contemplated on the WO without the prior written consent of GEAM. The WO shall include the firm fixed price for the effort agreed to in advance by the parties and shall, at a minimum, include a description of the Services to be provided ('Workscope'), the required completion date, the related contract code(s) and applicable DPAS Ratings as required. If, for any reason, Supplier is required under the terms of the WO to enter GEAM's facilities, Supplier will cause its employees to comply with GEAM's generally applicable security procedures.
3. **STANDARDS OF SERVICE.** All Services for the Equipment shall be performed in accordance with the original equipment manufacturer's ('OEM') or vendors' current maintenance manual, specifications and procedures unless otherwise specified on the face of the WO.
4. **WORKSCOPE DIRECTIVES.** GEAM will provide the Workscope on the face of the WO detailing the Services to be processed by Supplier on the Equipment and what specific processes are to be followed. The WO will include the model and serial number of the Equipment. No Services beyond the scope of the original WO shall be performed unless a new or amended WO is received. Any Certificate of Conformance signed by Supplier's control representative shall be conclusive regarding inspections and tests.
5. **TURN AROUND TIME.** The Turn Around Time ('TAT') shall be set forth on each WO or in a MOU between the parties and is calculated from receipt of the Equipment at Supplier's facility until the date the Supplier has made the Equipment available for redelivery. Evidence of delivery can be confirmed by the common carrier. Failure to meet the guarantee TAT per a WO or MOU is a major performance metric and repeated failure to meet this metric will lead to contract termination. Evaluations will be made quarterly based on this performance metric. If in that period the ability to meet the performance metric falls below seventy-five percent (75%) a mutually agreed and documented disincentive will be applied by GEAM. Disincentive price adjustments will be applied to the total fixed annual price of military repairs. Two successive quarters of failure to meet this performance metric will lead to contract termination. TAT will not apply for Equipment requiring engineering investigations or for Equipment affected by outstanding engineering changes.
6. **SURGE CAPACITY.** Supplier must have a plan in place and be able to react to a ten-twenty percent (10-20%) surge demand for a period of one hundred eighty (180) days and also meet the TAT.
7. **UNITED STATES GOVERNMENT ORDERS.** For all Services provided by Supplier under this Agreement, Supplier shall comply with the following mandatory flow down clauses required by the FARS and DFARS:
8. Government Acquisition of Commercial Items (FAR Part 12) This is a Purchase under Federal Acquisition (FAR) Part 12. Terms and Conditions of Purchase, as shown in the Order, apply. Appendix I is applicable but the list of FAR, DFARS, and other clauses is limited to the following:
 - a) DFARS 252.225-7009 Restriction on Acquisition of Certain Articles containing Specialty Metals;
 - b) DFARS 252.227-7015 Technical Data;
 - c) DFARS 252.225-7016 Restriction on Acquisition of Ball and Roller Bearing;
 - d) DFARS 252.227-7037 Validation of Restrictive Markings on Technical Data;
 - e) DFARS 252.237-7019 Training for Contractor Personnel Interacting with Detainees
 - f) DFARS 252.246-7003 Notification of Potential Safety Issues;
 - g) DFARS 252.247-7023 Transportation of Supplies by Sea (10 U.S.C 2631);

- h) DFARS 252.247-7024 Notification of Transportation of Supplies by Sea (10 U.S.C 2631);
- i) FAR 52.203-13 Contractor Code of Business Ethics and Conduct;
- j) FAR 52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009;
- k) FAR 52.222-26, Equal Opportunity (E.O. 11246);
- l) FAR 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C. 4212(a));
- m) FAR 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793);
- n) FAR 52.222-40, Notification of Employee Rights Under the NLR;
- o) FAR 52.222-50, Combating Trafficking In Persons;
- p) FAR 52.247-64, Preference for Privately Owned US Flag Commercial Vessels (46 U.S.C APPX 1241 and 10 U.S.C 2361)(Flow down Required in Accordance with Paragraph (D) of FAR Clause 52.257-64); and
- q) FAR 52-219-8, Utilization of Small Business Concerns. (15U.S.C.637 (D) (2) and (3). The subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

Each WO will be governed by FAR Part 12 requirements. GEAM will perform periodically audits to ensure compliance with the terms and conditions set forth herein and to ensure Supplier is meeting FAR Part 12 requirements.

9. **NON-DISCRIMINATION IN EMPLOYMENT.** Supplier will not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, physical handicap or national origin. Supplier shall comply with Executive Order 11246, which is incorporated by reference.
10. **QUALITY.** Supplier shall comply with its approved quality system that addresses the requirements of all applicable elements of ISO 9002. Supplier shall meet the limit no build (life limits), tolerance, dimension and functionality and configuration (form fit, material and part number) requirements of the technical data listed in the Workscope. No military standards or specifications are imposed on how such requirements are to be met. The Supplier shall request approval for waivers/deviations from limit and configuration requirements through GEAM.
11. **INSPECTION.** Upon receipt of the Equipment at Supplier's facility, Supplier shall complete an incoming inspection. Upon receipt by GEAM or its designee of the Equipment at the Central Distribution in Jacksonville, Florida, GEAM or its designee will inventory the Equipment to ensure that such Equipment is returned in an acceptable manner. GEAM will notify Supplier within thirty (30) days if the Equipment is not accounted for or accepted. Supplier will be responsible for delivering to GEAM any missing Equipment within fifteen (15) days or otherwise GEAM will invoice Supplier for the missing Equipment and Supplier will have thirty (30) days to pay GEAM for such missing Equipment. Upon notification by GEAM, Supplier will have fifteen (15) days to correct any discrepancies in the technical documentation issued by Supplier.
12. **DOCUMENTATION.** The Equipment will be accompanied with an Aviation Logbook Equipment History Card ('EHR') that outlines the repair history of the Equipment throughout its repair life. An electronic copy of the packing slip, Teardown Report and Certificate of Conformance will be forwarded to GEAM and Supplier shall maintain an adequate system of repair records which shall include performance metrics (average weekly/monthly repair TATs, TATs for past rolling three month period), corrective maintenance, Service Revealed Difficulties ('SRD') and Engineering Investigation ('EI') close out and provide a quarterly closure report to GEAM. As in connection with the Services provided on the Equipment, Supplier shall provide GEAM with copies of all work records required by the Federal Aviation Administration of the United States ('FAA'), including any required repair station component/accessory tags. Supplier shall maintain for four (4) years WO files for supplies, equipment, material or services including supporting documentation and back-up files including, but not limited to, invoices and memoranda, e.g., memorandum of negotiations showing the principal elements of price negotiations. Equipment acceptance records, including inspection records, material certifications, and acceptance test records, shall be retained in accordance with FAR subpart 7.7 and Supplier's then current quality specifications. All certifications, Inspection Reports, resident release forms from the designated Supplier Quality Representative, functional test reports, drawings and blue prints shall be included in the top of the shipping container (the shipping containers should be marked as to identify that such material is located inside the container).
13. **WARRANTY.** Supplier warrants to GEAM the Services provided in each WO shall be, at the time of redelivery of the Equipment, free from defects in workmanship for a period of eighteen (18) months from the date of redelivery of the Equipment, or within three hundred fifty (350) hours of operation of the Equipment, whichever shall first occur. GEAM shall send Supplier written notice of a defect prior to the expiration of thirty (30) days following discovery thereof. Supplier shall promptly correct the defect by (i) repairing the defective work, or (ii) making available at GEAM's designated facility a repaired or replacement item of Equipment. The warranty period on any such repaired or replaced Equipment shall be the unexpired portion of the warranty on the initially required Equipment. The warranty is assignable without the written consent of Supplier. GEAM will submit any warranty claim to Supplier within the above warranty period. The liability of Supplier connected with, resulting from or arising under any warranty claim shall not exceed the cost of correcting defects in workmanship, up to and including replacement of the Equipment, all downstream costs, adjustments, or repairs, or any other charges. The transportation costs for any warranty claims to and from Supplier's facility of Equipment determined to be defective shall be borne by Supplier.
14. **COMMUNICATION.** Supplier agrees to take reasonable action to establish an electronic communication network with GEAM. Supplier is obliged to advise GEAM in writing of the status of each WO at all times, including but not limited to advise on the order acknowledgement, details of shipping and all issues which may impact on the delivery, redelivery and/or price of the Service.
15. **VISITATION.** GEAM or its agents or representatives shall have the right to audit all pertinent books and records of Supplier, and to make reasonable inspections of Supplier's facilities to verify compliance with FAR Part 12 and/or ISO 9002 requirements, as well Supplier's compliance with its representations, warranties, certifications and covenants hereunder.
16. **DELIVERY.** GEAM or its customer shall ship and be responsible for all transportation costs associated with shipping the Equipment to Supplier's facility. Supplier shall arrange for the redelivery of the Equipment to GEAM at the same facility as the Equipment was originally delivered by GEAM, or as otherwise provided in the WO. GEAM or its customer will be responsible for all transportation costs associated with transporting the Equipment from Supplier's facility to the Central Distribution Facility in Jacksonville, Florida. All Services performed by Supplier under each WO being issued for GEAM's military program shall be performed domestically.

17. **EXPORT AND INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS.** Supplier agrees to comply with all import requirements, export regulations, Treasury's Office of Foreign Assets Control Regulations and the International Traffic-in-Arms Regulations ('IATAR'). Supplier agrees to maintain records certifying the proper import or export of goods. If Supplier intends to conduct work for GEAM in a foreign country, including but not limited to the use of Supplier's own facility outside of the U.S. or the use of a foreign affiliate or unrelated subSupplier, Supplier must provide advance written notification to GEAM. Supplier is responsible for compliance with applicable export control laws and regulations and for obtaining all export control licenses required by law or requested by GEAM.
18. **RISK OF LOSS.** GEAM shall bear the risk of loss of, damage to or loss of use of the Equipment prior to Delivery and following redelivery from Supplier while such are being transported to and from Supplier's Facility. Supplier shall bear risk of loss following delivery of the Equipment and prior to redelivery to GEAM.
19. **PACKAGING AND SHIPPING INSTRUCTIONS.** The Equipment shall be packaged to the highest commercial standard and properly marked (including notice of hazardous substances or dangerous goods) or otherwise prepared for shipment so as to secure the lowest transportation rates and to meet carrier's requirements. No charge will be allowed for packing, crating or carriage unless stated on the face of a WO. Unless otherwise directed by GEAM, all surface shipments shall be declared at the lowest release valuation allowed by their carrier. Packing Slips must be issued to cover this WO and enclosed with the shipment. All Equipment hereunder is subject to being shipped internationally subsequent to redelivery to GEAM; therefore, all Equipment must be packaged in compliance with IATA and IACO Specifications. Equipment that is classified as hazardous material or dangerous good must be handled and shipped in compliance with all applicable laws and regulations relating to the shipment of such items. The packaging must provide full protection of Equipment to ultimate destination and must conform to governing classifications. The use of expanded polystyrene (foam peanuts) is prohibited. Partially released Equipment must be packaged separately and identified on separate packing lists. It is a GEAM safety requirement that no employee lift over fifty (50) pounds. Therefore, single containers weighing over fifty (50) pounds must be palletized. Multiple containers weighing over fifty (50) pounds may not be on the same pallet. Multiple container shipments containing the same part number, WO Number, WO Item number should be strapped/banded or shrink-wrapped together on one skid or pallet. Any individual containers weighing over fifty (50) pounds must be on their own pallet and have their own packing list. Each WO item number must be packed separately. The Bill of Lading should be annotated 'Separation of banded or wrapped skids during transit is not allowed'. The outside of the container/shipment should be marked in bold letters 'Do not separate this shipment'. Corrugated fiberboard containers 12inX12inX12in or smaller cannot weigh more than twenty-five (25) pounds. Wood used in pallets or containers must meet the European Union requirements. Suppliers shall use pallets or containers constructed of non-coniferous products or have appropriate certification proving its meets European Union requirements. The pallet or container should be stenciled with NC-US (Meaning Non Coniferous – United States) or other appropriate marking defined per the United States Department of Agriculture Animal Plant Health Inspection Services. All stenciling must be in characters at least one inch high. Consignment address as identified on the corresponding WO is to be placed on the top or side of all containers. The markings should be arranged in a manner that ensures that opening and closing the container would not cause loss or damage to the identification. Information required on each WO item container (Packing List): WO Number, GEAM's customer Purchase Order, Item Number, Part Number, Quantity in Container, Total Quantity of Shipment (on first container only); Container # _ of _ , Packing List Number, Name of Manufacturer, Made in 'X' (Country of Manufacture), Date of Manufacture (if date sensitive material), release authorization and weight of container. All returnable containers must be identified as 'Returnable'. In the case of 'kits' where individual kit components were made in different countries, the country of manufacture must be shown for each separate part number. The original packing list should be placed in a waterproof envelope and secured to the marked end of the containers and a copy of the packing list is required on each container if multiple containers. A copy of the packing list should be placed on top of the inside of the container or container one (1) if multiple containers. When banded/strapped or shrink-wrapped the packing list must be accessible without unbanding the shipment.
20. **ENVIRONMENTAL MATTERS.** Supplier warrants that except as specified on the face of the WO, none of the chemical substances constituting or contained in the Equipment sold or otherwise transferred to GEAM under this WO are 'Hazardous Substances' as defined in the Comprehensive Environmental Response, Compensation and Liability Act ('CERCLA'), and Supplier agrees to supply GEAM with any and all required Material Safety Data Sheets ('MSDS') for any materials or products contained or incorporated into the equipment. Supplier agrees to provide products, which are free of asbestos. The use of cadmium plating or nickel cadmium plating is strictly prohibited in the repair of the Equipment. Supplier agrees to comply with the United States Clean Air Act Amendments of 1990 regarding warning statements on products manufactured with Ozone Depleting Substances ('ODS'), products containing ODS's and containers containing ODS's. Supplier represents and warrants that it possesses the facilities, skills, knowledge and expertise to handle the Equipment and provide the Services specified herein in a safe and responsible manner, and that all persons, including any subSuppliers, involved in handling any materials processed or provided for under this WO will be shown any MSDS associated with such materials and be advised of its safe and proper use and handling. Supplier represents and warrants that it shall perform all activities related to its service or manufacturing processes in compliance with all applicable federal, state and local environmental, health and safety laws and regulations. Supplier represents and warrants that it will use best efforts to prevent and minimize accidental releases of hazardous substances or constituents to the environment, as well as prevent and minimize risk of endangerment to human health or the environment from any services performed. Supplier represents and warrants that in the event of a release or spill, it will use best efforts to mitigate actual or potential impacts to the environment or human health. Supplier agrees to indemnify, release, defend and hold harmless GEAM, its directors, officers, employees, agents, representatives, parent, successors and assigns, whether acting in the course of their employment or otherwise, against any and all suits, actions, or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs, expenses, or liabilities resulting from: (1) death or injury to any person, including officers and employees of Supplier and those of GEAM, arising out of or in any way connected with Supplier's failure to comply with this Article 19, (2) damage to any property, real or personal, including property of Supplier and that of GEAM, arising out of or in any way connected with Supplier's failure to comply with this Article 19, (3) any and all pre-existing conditions of real or personal property of Supplier, or (4) any failure to comply with any federal (including FAR/DFAR clauses), state or local environmental, health, or safety requirements. If Subcontracting approved in writing then Supplier agrees to include this clause in any Subcontracts issued hereunder.

21. **NOTIFICATION OF SIGNIFICANT EVENTS.** Supplier agrees to notify GEAM in writing within five (5) days after learning of any significant event involving any of its repair processes that may affect Supplier's ability to comply with its obligations under a WO, including but not limited to, any spill, leak or release to the environment of any raw material or associated waste, which also requires notification to a state or federal agency, including, but not limited to: (i) the date of release; (b) the quantity and type of material released; (c) efforts to clean up the material released; and (d) efforts to mitigate impacts from the release. Notices shall be provided to GEAM at the address specified in the WO.
22. **HAZARDOUS MATERIAL IDENTIFICATION.** Supplier shall identify hazardous materials contained in items delivered to GEAM, comply with the OSHA hazard communications standard 29 CFR 1910.1200 ('HAZCOM') and FAR 52.223-3 and the current Federal Supply Classification FedStd 313, as applicable.
23. **PRICING AND INVOICING.** GEAM shall be charged for the Services as stated in each WO. Any modifications to the charges set forth on the WO must be done in writing with written acknowledgement by both parties of such change. All pricing is stated in US Dollars. Subsequent to completion of the Services on the Equipment, Supplier shall issue to GEAM an invoice for such Services and at the pricing stated on the face of the WO. GEAM's standard terms of settlement shall be issuance of payment of the full invoiced amount (not discounted) in US Dollars to Supplier within ninety (90) days (meaning within 90 days of the Payment Start Date (as defined below)). Supplier must provide banking information to establish electronic funds transfer for U.S. suppliers and wire transfer for non-U.S. suppliers. Supplier agrees to accept the invoice amount discounted by two and one-half percent (2.5%), in exchange for GEAM's initiation of payment on the 15th day following the Payment Start Date (as defined below) ('net 15 less 2.5 %'). GEAM reserves the right to set-off any amounts Supplier currently owes GEAM or any of its affiliates. As used in this clause, the 'Payment Start Date' shall be the invoice date; invoices for services must be dated no earlier than the last day of the period of time during which services that are the subject of the invoice were provided.
24. **TAXES.** Each party shall be responsible for their own taxes levied or imposed as a result of the transaction contemplated herein. The parties agree to fully cooperate in providing one another with any and all documents that may be used to obtain an exemption on taxes and duties levied on the transaction contemplated herein.
25. **TITLE.** Title to the Equipment shall remain vested in GEAM or its designated customer at all times. Supplier warrants that such Equipment, at Supplier's facility shall not be the subject of any attachment sale or seizure in settlement of debts of Supplier or any other claim brought against Supplier. Supplier will not permit any lien, security interest or encumbrance of any kind whatsoever to be imposed upon the Equipment. Supplier shall take all reasonable measures required by GEAM to preserve and protect the title of GEAM or its designated customer in the Equipment.
26. **LANGUAGE.** The parties have agreed that the WO and all documents relating to or issued pursuant to this WO are to be drawn up in the English language.
27. **NON-PERFORMANCE.** Time is deemed to be of the essence and GEAM reserves the right to cancel all or any part of a WO, without prejudice to any other rights it may have, in the event of failure by Supplier to perform at such time or times as are specified in any WO. GEAM may, however, waive the time requirement provided that such waiver is in writing and, thereafter, upon notice by GEAM, time may again be deemed to be of the essence.
28. **INSURANCE.** Supplier shall have the sole responsibility to insure the Equipment against property damage or other loss to include all periods of time that the Equipment remains at Supplier's facility or under control of Supplier. Upon request, Supplier shall provide GEAM with a Certificate of Insurance covering such property damage.
29. **INDEMNIFICATION.** Supplier shall indemnify and save and hold harmless GEAM from and against any and all costs, damages, suits and demands of any nature arising out of the performance by Supplier of its obligation hereunder and including claims made or damages sustained in the respect of the Equipment, and personal injury (including death), except to the extent that such injury or damage is attributable to the gross negligence of GEAM, its agents or employees. Supplier must furnish upon request evidence of insurance covering the above indemnification requirements. If the said insurance is unsatisfactory to GEAM, then GEAM may cancel any outstanding WO's.
30. **BROKER/FINDERS FEES.** Each party hereto indemnifies the other party from liability for fees, commissions or other claims made upon the other by third party brokers or finders when the indemnifying party caused such claims.
31. **APPLICABLE LAW.** The definitions of terms used, interpretation of each WO, and rights and liabilities of parties hereto shall be construed under and governed by the laws of the State of New York, U.S.A. The United Nations Convention on Contracts for the International Sale of Goods, 1980, any amendment or successor there is expressly excluded from this WO. Supplier hereby waives a) the right to a jury trial in any and all proceedings, b) any and all objections to venue and inconvenient forum in the state and federal courts referred to in this section, and c) any and all objections to service of process by certified mail, return receipt requested.
32. **SEVERABILITY.** Any provision of a WO, that is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such provision in any other jurisdiction. To the extent permitted by applicable law, each party hereby waives any provision of law, which renders any provision hereof prohibited or unenforceable in any respect.
33. **TERMINATION.** GEAM may terminate a WO at any time by written notice to Supplier with or without cause. GEAM will terminate any WO with Supplier if Supplier becomes insolvent or performs or permits any act of bankruptcy, liquidation, reorganization or if a receiver, trustee, or custodian is appointed for Supplier or a substantial part of Supplier's property.
34. **WAIVER.** Failure by GEAM to assert all or any rights upon breach of this WO shall not be deemed a waiver of such rights either with respect to such breach or any subsequent breach, nor shall any waiver be implied from GEAM's payment. No written waiver of any right shall extend to or affect any other right GEAM may possess, nor shall such written waiver extend to any subsequent, similar or dissimilar breach.
35. **DISPUTE RESOLUTION.**
 - (a) Except as specifically provided for in paragraph (h) below, the parties intend to forsake litigation and resolve with finality any and all disputes arising under or related to this WO exclusively by the process identified in this article. This article shall remain effective in the event that a petition in bankruptcy is filed by or against a party to this contract or order, or if a party makes an

assignment for the benefit of creditors, or if any other insolvency proceeding is commenced against a party. Invocation of this paragraph shall not relieve either party of any obligation, right or duty of performance arising under or related to any WO.

- (b) Any and all disputes, controversies or claims arising under or relating to this WO or the breach, termination or invalidation thereof shall, upon written notice, be referred to a senior management representative from each of the parties who will confer in good faith to attempt to resolve the matter. The party sending the first written notice (the 'Initial Notice') shall (1) set forth in detail all of its claims or issues in dispute and (2) designate its representative. The other party shall have five (5) business days to designate its representative and add any other issues or claims for resolution not identified in the Initial Notice. The representatives shall have thirty (30) days from the date of the Initial Notice to resolve the issues identified in the notices. If the representatives are unable to resolve the matter, either party may refer the matter to administered mediation, through the CENTER FOR RESOLUTION OF DISPUTES, 8 W 9th St, Cincinnati, Ohio 45202 (tel. 513-721-4466). Such mediation shall be started within thirty (30) days from the date of referral, and the mediation process must be concluded within thirty (30) days from the start date.
- (c) If the dispute or claim is not fully resolved pursuant to paragraph (b), either party may after ninety (90) days, but not later than one hundred twenty (120) days from the date of the Initial Notice, make a written demand for binding arbitration to be administered by the American Arbitration Association (AAA) by one arbitrator in accordance with its commercial arbitration rules and judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. A party's failure to make a timely demand for arbitration shall result in the forfeiture of all the claims and issues that party identified in its written notice.
- (d) The arbitration proceedings shall be conducted in Cincinnati, Ohio, and the order shall be interpreted and applied in accordance with the laws of the state of New York without regard to New York's choice of law provisions. Each party will be permitted to take the deposition of one individual, limited to no longer than four (4) hours. No other discovery shall be conducted except by the written agreement of both parties. All fees and expenses of the arbitration shall be shared equally by the parties. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of proofs. The arbitrator shall have no authority to award punitive or other damages beyond the prevailing party's actual damages and shall not, in any event, make any ruling, finding, or award that does not conform to the terms and conditions of the order. The arbitration award shall be in writing and shall specify the factual and legal basis for the award. The right to appeal the award shall be governed by New York law, and any such appeal shall be brought in a court of competent jurisdiction located in Cincinnati, Ohio.
- (e) Either party may at any time, without inconsistency with this order, seek from a court of competent jurisdiction located in Cincinnati, Ohio, any equitable, interim or provisional relief only to avoid irreparable injury.
- (f) The parties intend all statements made and documents provided or exchanged in connection with this dispute resolution process to be confidential and neither party shall disclose the existence or content of the dispute or claim, or the results of any dispute resolution process, to third parties other than outside counsel, except with the prior written consent of the other party or pursuant to legal process.
- (g) The parties may by written mutual consent agree to dates and times other than those set forth in this article.
- (h) The provisions of this article shall not modify or displace the procedures specified for termination of convenience. In addition, this article shall not apply to and will not bar litigation regarding any claims related to a party's proprietary or intellectual property rights.

36. SUPPLIER'S REPRESENTATIONS AND INDEMNIFICATION.

- (a) Supplier represents, warrants, certifies and covenants that it shall perform all activities required under this WO in compliance with all applicable international, national, state and local laws, including, but not limited to environmental, health and safety laws and regulations. Supplier represents, warrants, certifies and covenants that no Services supplied under this WO have been or will be produced using forced, indentured or convict labor, or the labor of persons in violation of the minimum working age laws of the country of manufacture, or in violation of minimum wage, hour of service or overtime laws of the country of manufacture.
- (b) If GEAM determines any of Supplier's representations, warranties, certifications or covenants hereunder to be untrue or otherwise breached, GEAM shall have the right to terminate this WO without further compensation to Supplier. Supplier shall defend, indemnify and hold harmless GEAM and all of its affiliates, directors, officers, employees, agents, customers and representatives ('Indemnified Party') from and against all claims, losses, loss of use, damages, attorney's fees, actions, liability, demands, judgments, costs and expenses arising out of or resulting from Supplier's untrue or breached representations, warranties, certifications and covenants, and from Supplier's (and its subSupplier's) negligent acts or omissions, and Supplier's (and its subSupplier's) failure otherwise to comply with the terms of this WO. An Indemnified Party shall have the right to participate in the selection of counsel and Supplier shall not enter into any settlement agreement that contains any admission of liability on the part of GEAM.
- (c) From time to time, at GEAM's request, Supplier shall provide certificates to GEAM in form and substance acceptable to GEAM relating to the requirements of this paragraph 34.

37. CITIZENSHIP STATUS.

- (a) Only U.S. Citizens, permanent resident aliens or those aliens authorized to be employed in the U.S. shall be permitted to work on GEAM's WO's. Supplier must notify GEAM prior to disclosure by Supplier of GEAM technical data to non-U.S. persons, or the assignment by Supplier of non-U.S. persons to the involved work to enable GEAM to review the technical scope and assure any necessary export authorizations are in place.
- (b) Supplier certifies to GEAM that it has (i) confirmed the identity of each individual assigned to work on GEAM's WO's; (ii) verified that such individuals are legally entitled to work in the U.S. and are employees of Supplier; and (iii) preserved such records as required by the Department of Homeland Security. There may be jobs which require U.S. citizenship because of national security or exposure to classified information. In such cases, each such job will be separately identified by GEAM as requiring U.S. citizenship.

- 38. FORMER GE EMPLOYEES.** If access is requested to GEAM's facilities or computer systems, the Supplier must confirm satisfactory performance of the individual for whom access is requested if the individual was previously employed by GEAM or its affiliates. The Supplier shall use a form provided by GEAM to obtain its employee's consent and waiver for GEAM to release employment information

to Supplier regarding the individual's performance when employed by GEAM or its affiliates. All forms and more detailed instructions can be found at: http://www.geae.com/aboutgeae/doingbusinesswith/supplier_security_requirements.html.

- 39. PROHIBITED GOODS AND SERVICES.** The United States of America prohibits the importation of Goods or the purchase of services from the following countries: Burma, Cuba, Iran, Iraq, Liberia, Libya, North Korea, and Sudan. No Goods or services from the aforementioned prohibited countries may be used directly or indirectly in providing any of the items (whether Goods, services, or otherwise) covered by this WO. Such list can change from time to time and it is Supplier's responsibility to ensure compliance with such list at all times. Current information can be obtained by accessing the Internet at URL <http://www.treas.gov/ofac/>.
- 40. SUPPLIER SECURITY AND CRISIS MANAGEMENT POLICY/C-TPAT.**
- (a) Supplier shall have and comply with a company security and crisis management policy. Upon GEAM's request, Supplier shall provide GEAM a copy thereof and certification (in a form acceptable to GEAM) of Supplier's compliance with this Article 39 and Article 35. Supplier shall revise and maintain the policy proactively, and as may be requested by GEAM, in anticipation of security and crisis risks relevant to the Supplier's business. Supplier's policy, at a minimum, shall identify, and require the taking, by Supplier's management and employees, of the measures necessary to do the following:
- (i) provide for the physical security of the people working on Supplier's premises and others working for or on behalf of Supplier;
 - (ii) provide for the physical security of Supplier's facilities and physical assets related to the performance of work, including, in particular, the protection of Supplier's mission critical equipment and assets;
 - (iii) protect from the loss of, misappropriation of, corruption of, and/or other damage to software related to the performance of work;
 - (iv) protect from the loss of, misappropriation of, corruption of, and/or other damage to GEAM's and Supplier's drawings, technical data, and other proprietary information related to the performance of work;
 - (v) provide for the prompt recovery -- including through preparation, adoption, and maintenance of a disaster recovery plan - of facilities, physical assets, software, drawings, technical data, other intellectual property, and the Supplier's business operations in the event of a security breach, incident, crisis or other disruption of Supplier's ability to use the necessary facilities, physical assets, software, drawings, technical data, or other intellectual property or to continue operations;
 - (vi) for any deliveries of Goods originating outside of the United States for delivery to the United States, review by Supplier of the requirements of the Customs-Trade Partnership Against Terrorism ('C-TPAT') for Air Carriers, Rail Carriers, Sea Carriers and Highway Carriers comply with the security procedures outlined by the United States Customs Service at http://www.customs.gov/xp/cgov/import/commercial_enforcement/ctpat/, as modified from time to time;
 - (vii) identify an individual contact (name, title, location and email/telephone/fax numbers) responsible for Supplier's facility, personnel, and shipment security measures.
- (b) GEAM reserves the right to inspect Supplier's policy and to conduct on-site audits of Supplier's facility and practices to determine whether Supplier's policy and Supplier's implementation of the policy are reasonably sufficient to protect GEAM's interests. If GEAM reasonably determines that Supplier's policy and/or policy implementation is/are insufficient to protect GEAM's property and interests, GEAM may give Supplier notice of such determination. Upon receiving such notice, Supplier shall have forty-five (45) days thereafter to make the policy changes and take the implementation actions reasonably requested by GEAM. Supplier's failure to take such actions shall give GEAM the right to terminate this WO immediately without further compensation to Supplier.
- (c) Supplier agrees that it will make reasonable efforts to become a member of C-TPAT in a timely manner, if it is eligible to do so. At GEAM's request, Supplier shall inform GEAM of Supplier's C-TPAT membership status and its anticipated schedule for participation in C-TPAT. Where Supplier does not exercise control of manufacturing or transportation of Goods destined for delivery to GEAM or its customers in the United States, Supplier agrees to communicate C-TPAT security recommendations to its suppliers and transportation providers and to condition its relationship to those entities on their implementation of such recommendations, unless Supplier is using such supplier and transportation provider at GEAM's request.
- 41. AMENDMENT, VARIATION and ASSIGNMENT.** No variation, modification or change or amendment of this WO, no waiver of any term or provision hereof shall be deemed valid or binding on GEAM unless reduced to writing and signed by the parties hereto. Supplier shall promptly notify GEAM of any significant change in ownership or control of Supplier, and GEAM shall have the right to terminate any WO without charge if any such change is unacceptable to GEAM.
- 42. ENTIRE AGREEMENT.** The MOU associated with the Services contemplated herein plus these Standard Terms and Conditions of Purchase of Component Repair Services by GEAM and any related WO's, notwithstanding any different, conflicting, or additional terms or conditions which appear on any sales order, invoice or other business form submitted by Supplier, such different conflicting or additional terms will not become a part of the contract of purchase of the Services contemplated herein. Any different, conflicting or additional terms or conditions, which appear on the face of the WO, shall supersede the terms and conditions established herein. Any terms and conditions in any acknowledgement of this WO, or with delivery of any goods under this WO, which are different from or in addition to the terms and conditions set forth herein shall not be binding on GEAM, whether or not they would materially alter the WO, and GEAM hereby objects thereto.
- 43. ADDITIONAL TERMS INCORPORATED BY REFERENCE ONLY.**